ANDRÉ CHÉRADAME

THE MYSTIFICATION

OF THE

ALLIED PEOPLES

WHY?
HOW?
BY WHOM?

Containing 36 maps, diagrams and facsimiles of documents.

Translated by JOHN A. FITZGERALD.

PUBLISHED BY THE AUTHOR
AT THE
CH. HÉRISSEY PRESS
ÉVREUX (Eure).
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This volume will practically conclude the demonstrations contained in the preceding works. In fact, it will set forth in their entirety some positive and concrete solutions of a political, economic, ethnographic and financial nature which, in the actual condition of European affairs, seem most suitable for gradually putting an end to the crisis and state of insecurity from which the Allied peoples are now suffering.

NOTE. — **As these books have not yet appeared at the time of publication of** " The Mystification of the Allied Peoples " **(January, 1923), those persons desiring to obtain them are requested to notify " Imprimerie Herissey, Evreux, France, " which will advise them of their price and date of publication.**

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PREFACE

I have written this book according to a novel plan, the object of which is to make it a useful instrument of defense for citizens of the Allied countries : war-pensioners, workers of every sort, business men, manufacturers, in fine, all those who have made tremendous sacrifices in order to « win the war », and who now are thunder-struck to see « Victory change camps ». National interests, as well as highly legitimate private ones, are suffering more and more as time goes on, through the development of a situation which everyone feels to be false. The time has now come to show matters in their true light.

It is a matter of vital importance for the citizens of all the Allied nations to realize the fact that if Germany, by more or less devious manœuvres, succeeds in avoiding payment, the inevitable consequences of this fact will be that the Pangermans, sooner or later, will start another war.

It is the duty of every one whose collective or individual interests are threatened by the world-wide consequences of this contingency to take steps, while it is yet time, to prevent its materialization.

Those who read this book through will see that its closing pages are devoted to the explanation of a new plan, simple but efficacious, which will enable every citizen of the Allied countries whose lawful interests are threatened, to make his voice count in the administration of political affairs, and to lead that administration back to the path of common sense.

Four Years after the Armistice.

As a result of the artificial bankruptcy of Germany, France is threatened with real bankruptcy. And the bankruptcy of France would involve that of many countries whose autonomy in Europe depends on that of France, and would seriously aggravate the condition of unrest now existing throughout the world.

What is the reason for this astounding state of affairs ?

The German people, intoxicated by twenty years of Pangerman propaganda, entered wholeheartedly into the war in 1914. Towards the close of 1918, however, when the Armistice was signed, the great majority of the German

people were sobered by the protracted struggle and its attendant hardships, and disavowed their Pangerman leaders. Now, these latter, the advisers of William II, have managed to regain the ascendency. They have again become the masters of the German people, and without being officially in power, direct its entire policy from behind the scenes.

They have discovered new and diabolically clever methods of procedure, derived from « the war of political sciences ». These permit them to continue the struggle by methods that are not of a military nature, but the winning of important victories on the battle-field would be no less fruitful in results.

The Pangerman leaders are the first obstacles to a real peace. They are dragging the German people, and in fact all Europe, into formidable complications *without even finding it necessary for the present to wage a military war*. It is necessary to realize thoroughly that the danger does not lie entirely in a future war, as is commonly believed, but already exists.

At the present time, without the public being aware of the fact, the Pangerman leaders are imposing German economic hegemony on Central Europe by an absolutely new procedure : namely, the action of the German banking power in manipulating Continental exchange rates in the interests of Pangermanic Mitteleuropa.

At the present time, through the intermediary of their men of straw at Moscow, the Pangerman leaders, by means of the Bolshevist mystification, are consolidating the seizure of Russia by Germany.

At the present time, at the very moment when certain persons claim that Germany is in distress, the Pangerman program is being carried out.

The Pangerman plan is being worked out by means of a shaping of events, which is paving the way for its success in the near future. The scheme is exceedingly dangerous, for it is subtle and does not always produce material results that are immediate and generally discernible. The consequence is that at the very moment when the collapse of the mark is leading many people in the Allied countries to believe in the collapse of Germany, this scheme is nevertheless tending, on almost every side, to bring about the eventual triumph of Pangermany. Consequently, it is absolutely in the vital interest of the people of the Allied countries for me to point out clearly what this subtle scheme will amount to in the long run, for, in point of fact, it is the continuation of the plan of Wilhelm II by new and unexpected measures.

Now, and this is the most amazing phase of the whole business, the responsibility for this state of affairs is traceable to certain Entente

leaders who, in order to gratify the greed of a few dozen super-capitalists of so-called international finance, have not hesitated to favor the return to power of the Pangerman leaders, and by so doing have betrayed the hopes of the Allied peoples, who thought that they had finally bought peace at the price of so many unheard-of sacrifices.

And it is this fact, so incredible and yet so undeniable — namely, the collusion of certain Allied groups with the Pangerman leaders, that is to say, with the most reactionary elements of Germany — that constitutes the extreme gravity of the present situation, and at the same time makes it easy of solution.

If Public Opinion so wishes, the Danger will Rapidly Disappear.

Up to the time of the Genoa Conference, May, 1922, public opinion in the Allied countries had long remained inert because it felt itself helpless, and realized that it was being systematically kept in ignorance of the true character of the present situation. Since the Genoa Conference, public opinion has been awakening by degrees. And, once awakened, it constitutes the supreme and irresistible force. This was proved during the war.

As a matter of fact, it was the loyalty, far-

sightedness, good sense and strength of Allied public opinion which realized the necessity of putting an end to the German peril, and constituted the force — the foundation — upon which not only the Allied governments depended during the war, but which compelled them, in a sense, to win the war.

Suppose it were possible, at the present time, to enlighten public opinion thoroughly in the Allied countries as regards a situation which, as yet, it does not understand as clearly as it should. This can be accomplished by carefully pointing out the danger and the means of avoiding it. It is my profound conviction that the result would be, in the Allied countries, a wave of public opinion, so powerful, so clearly directed towards the same end, that the political leaders of these countries, however inadequate and divided they may be, will come — automatically, as it were — to an understanding, and will be constrained to carry out the policy that is unanimously recognized as necessary.

But, in order to avoid the new dangers that threaten us, it is absolutely necessary for public opinion to take a hand, for there is not a man in public life in the Entente countries who is able, unaided, to set the situation to rights.

In normal circumstances, the fruits of victory

after the Armistice should have been brought into being from above : in other words, they should have been secured by the statesmen in power. The fact that their incessant blunders have ruined an admirable situation proves that such a contingency is not to be expected. The question now is to perform a new miracle : namely, to restore victory to its former status. And the force accomplishing this prodigy must come from below : in other words, it must spring from the strength and enlightenment of general public opinion.

How Public Opinion can become a Force in Foreign Affairs. The New Books necessary.

Fundamentally, questions of foreign policy are merely matters of common sense. Once reduced to their essential elements, anyone is capable of grasping them.

As a matter of fact, the plain citizen, « the man in the street », finds it impossible to obtain a clear idea of questions of foreign policy for the reason that his time is taken up by his own affairs. Consequently he lacks the leisure to hunt up the essential facts, which are swamped in a mass of other details that are daily brought to his attention. Moreover, newspapers can give the public only a very incomplete notion of matters of foreign policy. The daily news can

furnish nothing but a fragmentary and unconnected presentation of events.

Knowledge of foreign politics can only result from a comprehensive survey of the general situation. In practice, nothing but a book offers sufficient space in which to present this panoramic survey, indispensable to the public.

Up to the present time, however, books dealing with matters of foreign policy have dealt particularly with the past, and have been written with the idea that their circle of readers would be limited.

No books have yet appeared, written in a style permitting their diffusion among the masses, dealing with foreign policy and explaining present conditions. Such books would enable a large reading public to adopt a reasoned opinion in conformity with its interests.

This is a want that requires filling. What is needed is that writers who are qualified by investigations they have made abroad, and whose loyalty and independence are beyond question, should get up books dealing with foreign policies, capable of diffusion among the masses, and fulfilling the following conditions.

Laying aside all phraseology, these books, while they ought to form clear and interesting reading, ought at the same time to base their authority solely upon essential and incontestable

facts, showing by their logical connection the real course of events.

So far as possible, all matters discussed should be symbolized by maps, charts and diagrams, simple but scientifically exact, permitting the reader to visualize the problems at a glance.

The book ought to conclude by setting forth new but efficacious means of action which would enable the humblest citizen to form his opinion after a study based on reliable authorities, and to make the weight of that opinion count in matters of foreign policy.

In fine, the service rendered the reader by this sort of book ought to be so evident that its price ought not to be an obstacle to its wide circulation.

Once the reader made the experiment, this outlay ought to appear to him as necessary as the payment of his fire insurance premiums : unknown a hundred years ago, but now universally admitted to be indispensable.

In other words, the general public ought to realize that it is tremendously to its interest, from now on, to take out insurance against a recurrence of war and costly mistakes in foreign policy. And the reason is that when all is said and done, it is the family and business affairs of every citizen that suffer most from the consequences of wars and mistakes in foreign policy.

Let us suppose that « the man in the street », by spending a modest sum for a book, and five or six hours of his time in reading it, can acquire solid reasons for orienting his opinion in such a way as to safeguard his pension, his pay, the value of his listed securities, and the prosperity of his business or industry. Again suppose that this expense showed him how to perform a simple act, easy for an individual to perform, but which, repeated simultaneously by hundreds of thousands of his fellow-citizens who likewise have reasons for accomplishing the same act, would result in guiding their political leaders, in no uncertain way, along the path of the defence of the people's interests (See Conclusions). In the premises, it is plainly manifest that this slight expenditure of time and money would constitute the least expensive and most necessary insurance, and at the same time the most profitable of investments.

The Author's Credentials.

In undertaking the work of writing the first of these new books, necessary for safeguarding the interests of citizens of the Allied countries, I may state that I consider myself qualified for the task.

For more than twenty-five years my life-work has been the study of Pangermanism,

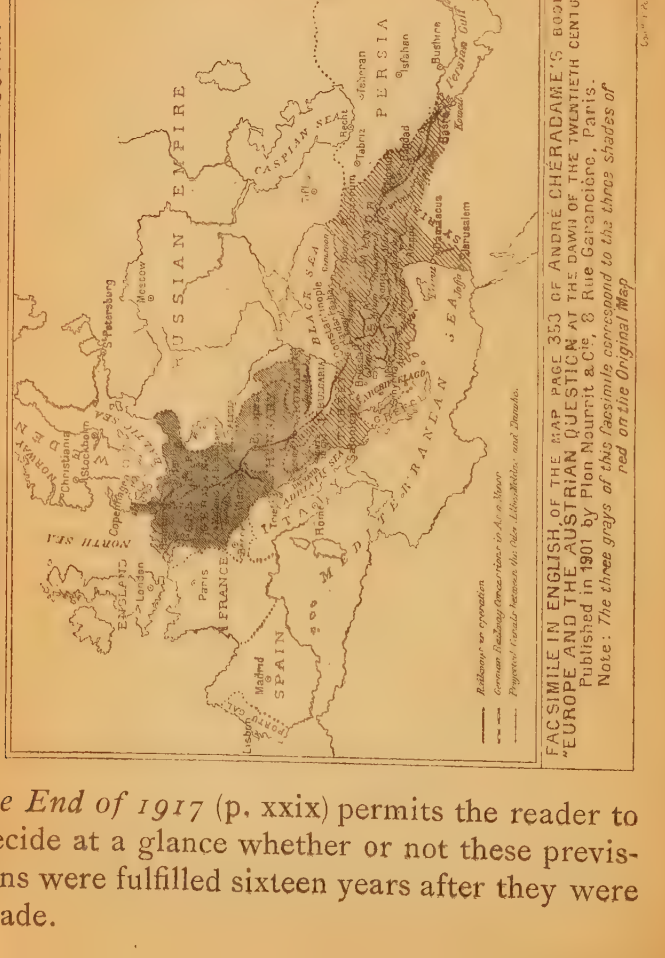
its personnel and the resources upon which it depends for making its dream come true.

Any conscientious man who pursued the same investigations, followed the same methods and devoted as many years to the subject as I have done, would have reached the same conclusions, and would have given the same timely warnings as myself.

Therefore, without being justly accused of laying claim to the slightest personal superiority, I can recall my principal previsions of former years; previsions that seemed improbable at the time, but which were completely verified later on. I do this because they are of a sort calculated to inspire my readers with confidence, and to convince them of the essentially practical character which I wish to give to the present work.

1901-1903. My book entitled « *L'Europe et la Question d'Autriche au seuil du XXe siècle* » (*Europe and the Austrian Question at the Dawn of the Twentieth Century*), which appeared in 1901, explained — and based its explanation on German documents — what Berlin's plan would be in order to carry out the Hamburg-to-Bagdad scheme. This explanation was complemented by the revelation of the Turco-German collaboration in « *Le Chemin de Fer de Bagdad* » (*The Bagdad Railway*), which appeared in 1903. In order to denounce this scheme with greater

effect, I had summarized it on the map, originally published in 1901, which is reproduced on this page. The map recalling *Pangermany at*



the End of 1917 (p. xxix) permits the reader to decide at a glance whether or not these previsions were fulfilled sixteen years after they were made.

PANGERMANY AT THE END OF 1917.

In three years' time, the domain of PRUSSIAN MILITARISM spread from a territory of 540.000 square kilometers containing 68 million inhabitants to one of 3.600.000 square kilometers containing 180 million inhabitants.

1912. A study of conditions at Berlin, as regards the carrying-out of the Hamburg-to-Bagdad plan, had convinced me that the next war would break out as the result of an Austrian attack on Serbia.

In an article entitled *Between Peace and War*, which appeared in the newspaper *La Défense Nationale* on November 30, 1912, I set forth what the probable sequence of events would be. In substance I said : After the humiliation of the annexation of Bosnia and Herzegovina in 1909, Russia could not allow the Serbs to be crushed. Germany, in order to back up Austria, would line up against Russia. But Germany would not wish to leave France in arms at her back, and would attack France at the same time, and even more vigorously than Russia.

January-April 1914. — As the result of an investigation made in December, 1913 and January, February and March, 1914, throughout Central Europe, I returned in April, 1914 — that is, four months before the surprise of August — convinced that Germany and Austria-Hungary were about to set loose the dogs of war. This point is proved by the letter reproduced on page xxi, for which I am indebted to the loyalty and courtesy of M. Henry de Jouvenel, editor-in-chief of the *Matin* and Senator.

18 Juin 1919

LE MATIN
4 & 6, Boul. Poissonnière
5 & 7, Faub. Poissonnière
PARIS (IXe Arr.)

Mon cher et cher Lapière,

Il est parfaitement exact que vous êtes venu me voir en avril 1914 et que vous m'avez annoncé la guerre prochaine.

Il est également exact que votre conversation m'ayant beaucoup frappé, je vous ai demandé

de la répéter au directeur de nos Services Étrangers, M. Hedeman, qui n'y a pas cru.

Je tiens Hedeman pour un héros de notre profession, un journaliste qui a cherché la mort sur le champ de bataille par ~~[illegible]~~ par de s'être laissé tromper. Hélas ! Il l'y a trouvée. Nous devons tous respect à sa mémoire.

Mais le souvenir que vous évoquez est resté fixé dans ma mé-

morie d'autant plus solidement que vous avez été, je ne dirai pas le premier Français à nous avertir de l'imminence du péril, mais le second. Le premier fut en effet M. Poincaré, président de la république.

J'espère par cet hommage, aussi clairement répondu à votre question.

Croyez bien, cher Monsieur, bien confraternellement votre

Jouvenel

June 18, 1919.

Le Matin
2, 4, 6, *Boul. Poissonniere*
1, 3, 5 et 7, *Faub. Poissonniere*
Paris (*IXe Arr't.*)

Dear Sir and Colleague :

It is perfectly true that you came to see me in April, 1914, and stated that war was close at hand.

It is likewise true that your conversation impressed me deeply, and that I asked you to repeat it to the head of our foreign service, M. Hedeman, who did not agree with you.

I consider Hedeman as one of the heroes of our profession, a journalist who sought death on the field of battle, through despair at having allowed himself to make such a mistake. Alas! he found it. All of us owe respect to his memory.

But the recollection which you call up remains fixed in my memory, all the more deeply from the fact that you were, I shall not say the first Frenchman to warn us of the imminence of the danger, but the second. The first, as a matter of fact, was M. Poincaré, President of the Republic.

I hope that by this testimony I have replied clearly to your question.

Believe me, dear sir,

Very fraternally yours,
(*Signed*) de Jouvenel.

M. Poincaré had been warned of the imminence of the war by the despatch sent by M. Jules Cambon on November 22, 1913, drawing the following conclusion from a conversation between Wilhelm II and the King of the Belgians : « The Emperor has ceased to be a partisan of peace. » Naturally, I was ignorant of the existence of these documents, which at that time were ultra-secret. The facts which led me to form an identical conclusion were the highly significant ones I had ascertained at that time regarding the attitude of Austria-Hungary and the measures that country had already adopted.

M. de Jouvenel's letter proves that, while there was yet time for something to be done, I had discerned what was being prepared.

If, in April 1914, I had been able to set forth, in one of the great Parisian newspapers, the result of my investigations, it is possible that the public denunciation of the German aggression then being prepared might not have sufficed to prevent the war; but it is permissible to affirm that, had I done so, at least France would not have been taken by surprise. Now, the elimination of the element of surprise certainly would have greatly diminished the magnitude of the catastrophe.

April, 1916. — At the present time, it is very evident that the Germans have played the

« Armistice trick » on the Allies; a manœuvre announced on page 128 of my book entitled : « The Pangerman Plot Unmasked » (French edition published in April 1916). « The Germans will perhaps try to play on the Allies the « Armistice trick ». Here, again, we should have a cunning calculation founded once more, on the weariness of the combatants..... No doubt, they must, make at Berlin the following calculation..... « If an armistice were signed, the Allied soldiers would think : 'They are talking, therefore it means peace, and, demobilization will soon follow'. Under these conditions the effect will be the moral slackening of our adversaries » ..... The huge military machine of the Entente could not again be put in motion as a whole. The real result would be, in fact, the rupture of the Anti-Germanic Coalition. »

The « Armistice trick », announced in April, 1916, was played on us on November 11, 1918.

November 1918. — As early as 1918, shortly after my arrival in the United States, I knew that an armistice was coming, (see p. 118) and that it would constitute an exceedingly dangerous manœuvre, calculated to snatch victory away from the Allied peoples at the very moment they thought it was in their grasp. Consequently, during my sojourn in America, I prepared a book, the special object of which was to endeavour to counteract the dangers which I

believed the Armistice would render inevitable. Although I was expecting it, the announcement of the Armistice filled me with unspeakable depression, for at the very moment I was witnessing the overflowing enthusiasm of the New York public, I could even then picture to myself the countless hardships and cruel disappointments which the people of the Allied nations would suffer on account of their leaders' blunder.

My American friends, with whom I had luncheon at the Ritz-Carlton the day the Armistice was announced, doubtless recall the detestable humor I was in. It was impossible for me to conceal it, and it doubtless grated on their own feelings, for at that time they were not in possession of the reasons which would have enabled them to understand my feelings.

Moreover, at the close of 1918, I could not give entire expression, even in print, to my actual sentiments. The public belief in a complete victory was so deepseated and widespread at that time that I should certainly have been severely criticized, even by that portion of the public most favorably disposed towards me, if, immediately after November, 1918, I had claimed that the Armistice was a tremendous mistake, due in a great measure to the activities of certain intermediaries who were secretly operating between some of the principal Entente leaders and the enemy. Consequently, I was

obliged to content myself with doing the best I could under the existing state of public opinion : namely, explaining that it was possible for the Armistice to lead to a genuine victory, *but solely on condition that it were possible to avoid the manifold dangers of the exceedingly special period it was ushering in.*

For these reasons, in the early part of December, 1918, I published, through Scribners, New York, the book which I had been preparing for several months. The preface of that book is dated November 25, in other words, only fourteen days after the Armistice. The work in question appeared under the title of *The Essentials of an Enduring Victory.* Its object was clearly defined on its cover in the following terms :

A sharp warning at the moment when it is most needed.

The object of this book is to show in the strongest light the great danger of the armistice period preceding permanent peace.

Those of my readers who care to refer, at the present time, to the preface and conclusions of that work will see that they clearly pointed out the dangers resulting from the Armistice, and the measures which would have made it possible to avoid those dangers.

A study of the facts now at hand enables one to judge the worth of those measures. It

would be a difficult matter to argue that if these measures had been adopted the Armistice would not have allowed victory to escape, or that the people of the Allied countries would not now find themselves confronted by difficulties that could have been easily avoided. For most of these difficulties, as a matter of fact, are the result of the incomprehensible attitude adopted, since the Armistice, by some of the most prominent Entente leaders.

From March, 1921 to October, 1922. — The French edition of this book was written between March, 1921 and February, 1922, and was published on the latter date. At the time of publication my account of Mr. Lloyd George's true attitude and of the influence of the German banking power on exchange impressed some of my readers as being exaggerated. However, since that time, the underhanded scheming at Genoa and the Hague, and the recent collapse of the mark, for the special purpose of « smothering » the reparation question— and the largely artificial character of which has been recognized, — prove that my allegations were founded in fact, and understated the truth rather than exaggerated it.

I have no hesitation in referring to these previous facts as proofs entitling me to my read-

ers' confidence. Inasmuch as I am carrying on a work in a personally disinterested fashion, but in plain conformity with the defense of the general public in the Allied countries, I believe, inasmuch as I have been largely justified by events extending over a considerable period in the past, that I have the moral right to call to mind the credentials that entitle me, at the present time, to a serious hearing.

The Present work's sources of information.

The documentation of the present book was gathered while on three traveling expeditions.

My sojourn in the United States from the end of April to the end of December, 1918, enabled me to observe a part of the manœuvres that led to the Armistice. An investigation made in the Rhineland in September, 1919, procured me useful information regarding the German state of mind.

In October, November and December, 1920, and January, 1921, I made another journey to Athens, Belgrade, Zagreb, Bukharest, Vienna, Budapest, Prague and Warsaw.

Owing to the fact that I have been in the habit of visiting these centres periodically for the past twenty-five years, I have many friends there, and long experience has proved them to be reliable sources of information. And so the

conclusions arrived at in this book are largely the result of interviews with persons in Central Europe whose opinions carry real weight: governors and active ministers, civil and military representatives of France, members of the Diplomatic Corps, officers of standing, financiers, economists, business men and influential and particularly well-informed journalists.

Out of the mass of information gathered from these excellent sources, I have retained only such as is mutually corroborative and of a general nature.

As the geographical range of my investigations was very wide, it enabled me to strike an average among a great number of opinions. It is probable, therefore, that this method of investigation, based on numerous checks and counter-checks, has enabled me to reach a close approximation to the truth.

Answers to certain objections that may be brought up.

Naturally, a certain number of criticisms of this work may occur, at first sight, to some of my readers. I shall endeavour, so far as possible, to refute these in advance.

First Objection.

This book attributes a systematic character to German policy, whereas many reasons go to prove that that policy possesses no definite aim.

Is not the real systematic spirit the author, who sees more system in German influence on events than really exists?

Reply: If I expose *the system* according to which the Pangerman leaders are directing events, it is because such a system really exists, and continues to guide the German leaders. Many facts go to prove, beyond the shadow of a doubt, that to the great misfortune of the Allied people *this system*, as yet, is not understood by their political leaders. But this ignorance does not prevent the Pangerman leaders from knowing and practicing *the system* in question.

One of the tragic and curious phases of the present situation results precisely from the two following facts: the ignorance of the Pangerman system evinced by the Allied statesmen and Entente financiers, whereas the whole German policy, now and before 1914, is based on that system. It was so widely diffused by the pre-war propaganda of Berlin among the German public that at the present time a great many Germans are so thoroughly acquainted with that *system*, at least in its broad lines, that ever since the Armistice they are instinctively adopting the attitude best calculated to facilitate the activities of the Pangerman leaders. Consequently, if, in this book, I set forth the German policy in systematic fashion, it is because, inasmuch

as that policy is based on a *system*, I ought to set it forth faithfully, in order to depict the actual situation as accurately as possible.

SECOND OBJECTION.

Is not this book largely made up with the aid of newspaper clippings ?

REPLY : The fundamental documentation of this book is really the result of my investigations in foreign countries. However, as my task consists in demonstrating the reality of a situation that seems almost chimerical, or at least improbable at first sight, I prefer, whenever possible, to establish the truth of that situation, not by my personal statements, but by showing the logical connection of events by means of indisputable facts, each of which has already been proved by a wide publicity. Consequently, when I rely on a fact of that nature, it is precisely because it has been cited by a great number of newspapers without eliciting any denial, that there is every valid reason for believing that such a fact is true. My book indicates the name and date of the newspaper in which the statement was published, simply to enable my readers to check up my documentation more readily.

I must add, furthermore, that there are facts of the highest importance from the standpoint of establishing the truth : facts of which I am certain, but which I cannot use by way of proof,

on account of existing legislation. In fact, were I to allude to them, it would mean denouncing certain guilty persons, now in private life. This would give them a right to institute a libel action against me, under conditions that would enable them to win their case. The fact of the matter is that inasmuch as the activities of these persons helped to compromise the Entente victory, it would be greatly in the general public interest to make such activities public, so as to lead to suitable punishment. In fact, as time goes on, the outcome will prove that the libel laws now in existence in most of the Entente countries are no longer in conformity to modern needs, for in actual practice these laws protect the big speculators and the directors of publications whose silence is bought by the enemies of the Allied peoples, thus producing results equivalent to premeditated treason.

THIRD OBJECTION.

The book is too large. How can a busy man find time to read its 450 pages with profit? Why has not the same subject been treated in a much more condensed form?

ANSWER: Brevity in a book is advantageous from every standpoint. However, its length must be proportionate to the scope of its subject. Now, *The Mystification of the Allied Peoples* is a colossal subject. In order to avoid treating it at the length it requires, I have only dis-

cussed such elements as are absolutely essential, and each of these elements in the most condensed form possible. If I had omitted any one of these elements, it would have left a serious gap in my demonstration. In that case many of my readers would have remained unconvinced, and consequently would not have read the book with permanent profit. For these reasons I sincerely believe that if a competent and impartial critic takes into account the scope of my subject, the enormity of the hoodwinking of which the Allied peoples are the victims, the great dangers lying in the false ideas with which the people have been saturated, and the necessity of destroying these ideas by a line of really convincing argument; such a critic will decide that, in reality, this book is not long, but as short and condensed as it was possible to make it.

As for a man of affairs declaring that he has no time to read a book of this sort because it is 450 pages long, I would call his attention to the fact that he is obliged to find time enough to face the enormous and incessant difficulties brought on his own affairs by the wretched political management of a goodly number of Entente countries ever since the Armistice. Now, such men of affairs would have saved all the time they have lost in such a highly disagreeable and burdensome fashion, if they had

been well enough acquainted with the general situation to be able to direct the force of their opinion along proper lines, thus preventing the monumental blunders, the disastrous consequences of which their personal affairs are now supporting. Consequently, for a business man to devote five or six hours of his time to reading a book of this kind is not a waste of time. On the contrary, it means making the effort required for avoiding having to lose hundreds of hours as a consequence of the mistakes made by certain Entente statesmen who have been allowed full and unrestricted freedom in making the Allied peoples eat the exceedingly bitter fruits of their astonishing ignorance and potent incomprehension.

Fourth objection.

Inasmuch as this book is intended to enlighten the greatest possible number of citizens of the Allied countries, it should be sold at a much lower price.

Answer : No one admits more readily than does the writer that it is highly desirable that the price of a book such as the present volume should be as low as possible, but I feel that I ought to explain why such a result cannot be attained under existing conditions. Moreover, this explanation will help to make it clear why it is possible for public opinion in the Allied countries to be outrageously misled.

In actual practice, it is no longer possible for really independent books, calculated to enlighten the public regarding its vital interests, to be published. Independent expression of thought on the most important subjects is hampered to an alarming extent. The reasons for this situation are of a highly realistic character.

In a book such as the present volume the maps and diagrams represent a considerable item of expense. On the other hand, such a work can only be of value if based on a really new documentation, collected by the author through conscientious investigations made abroad, to say nothing of the great length of time required to present this material in the form of a book. In the aggregate, this constitutes the expense of documentation : an expense that has increased tremendously since the war.

Common sense will tell anyone that the heavy expense incurred in obtaining the documentation of a book constitutes as necessary a portion of the manufacturing cost of that book as the cost of paper and printing, or the bookseller's and publisher's profits. But as the number of authors writing works of a general political character who are really well documented on their subject is absolutely infinitesimal, the consequence is that there is no suitable arrangement in existence for publishing and marketing

books of this character. As a result the author's expense in collecting his documentation, although constituting a necessary preliminary disbursement, is not recoverable. Under existing conditions, long experience has satisfied me that the expense an author incurs in documenting himself is about four times as great as the total remuneration guaranteed him by the publisher.

As a result of this state of affairs, in the case of a book such as the present work, the paper dealer, printer, publisher and bookseller all have their profit, whereas the author is obliged to lose almost all the money he has advanced while securing his documentation, plus the total amount of expense represented by a year's labor, which is approximately the time required for writing his book.

For these reasons, if one utilizes ordinary publishing methods, it is impossible to publish works treating on foreign politics of the present day, and possessing a real informative value. One can readily understand that when an author is convinced that the reward for his long, arduous and valuable labor will be a certain loss, he refrains from undertaking such a task. This is the essential reason why, ever since the Armistice, independent books which might have succeeded in enlightening public opinion have gradually ceased to appear. The result is

that the public in the Allied countries can be easily misled. This situation has reached a point where, in my own case, I have been able to publish the present work only by modifying the customary arrangement : in other words by beçoming my own publisher, even of this English edition. And as I am both author and publisher, I assume that the amount which would have represented the publisher's profit will go towards reimbursing the author for his expense incurred in securing his documentation, and that my desire to defend freely the interests of the general public in the Allied countries will not be penalized by a pecuniary loss.

It is extremely desirable that the general public should realize how disastrous this deplorable intellectual situation, just described, is from a standpoint of the security of the various Allied countries. It is of the highest importance that an effort be made to enable authors who are technically qualified and really independent to write books of general interest. Such authors are guided by a lofty motive ; they have all the extensive knowledge required for engaging profitably in commercial affairs. If they renounce such profits, it is because they prefer to pursue studies which they know to be indispensable to the liberty of nations. In the presence of this proof of abnegation, they can be expected to be

satisfied with covering the expense incurred in securing their documentation, their labor, and a modest remuneration : but they cannot properly be asked to ruin themselves by losing a large amount of money every time they write a book which brings a profit to the bookseller and publisher.

This brings us in presence of an anomaly which is of peculiar value in explaining the ills from which the people of the Allied countries are suffering. Everyone admits that the laborer is worthy of his hire. The public considers it quite natural that certain singers should receive fabulous salaries, or that a surgeon should ask a handsome fee for performing an appendicitis operation lasting less than half an hour. No one finds it unreasonable that a well-known lawyer should charge a fat consultation fee, but the public has not yet realized that those men who are making a serious study of foreign politics should at least be given an opportunity of working without loss. In reality, such men are better qualified than anyone else to discern the causes of war while it is still an easy matter to prevent their development, and to find, before it is too late, the proper ideas for solving foreign difficulties.

However that may be, the situation which I have just explained is the reason why this book cannot be sold at a lower price.

Moreover, it behoves the public to realize this fact : the true and trustworthy information which the public needs for defending itself in the present situation costs money to the one who procures that information for the public. Consequently, it is a matter of simple justice that the public, which benefits by such expense, should reimburse the author for it.

An Appeal to my Readers for Co-operation.

Before concluding this preface, I wish to express a desire to my English-speaking readers, whatever country they may belong to. I am profoundly convinced that in the United States, Great Britain and the British Dominions, as in the other Entente countries, the vast majority of the people has always been animated in the past, and is today, with a sincere desire to arrange peace on a just basis ; in other words, that the aggressor should make reparation for the damage he did, and that the victors should adopt an attitude such that the losers should not be put back into a condition where they could start the war over again. I am equally persuaded that in the same countries the vast majority of the people is absolutely opposed to the manœuvres of those supercapitalists who, in order to gratify their own cupidity and selfish interests, to not hesitate to pre-

cipitate the world towards new disasters, by spurning the most elementary rules of universal morality.

I am a political writer of unquestionable sincerity and independence. For more than a quarter of a century I have warned the public, in accurately and timely fashion, of the great dangers by which peace was threatened. Consequently, in every English-speaking country where this book may circulate, I should like to have all those of my readers who have been convinced by its arguments become my friends and collaborators, in order to accomplish this work, so needed at the present time ; i. e. the organization of a well-informed public opinion, one resolved to defend itself against the unlawful forces by which it has hitherto been oppressed.

Those of my readers who have been convinced by this book can easily help me in my task, and in many ways. They can induce their friends to read it, advising them what bookstores have it on sale. Inasmuch as this book was written as an instrument for safeguarding the public interest, the public, by helping me to insure its distribution, will be co-operating in its own defence. My readers can assist me by making remarks, observations and suggestions they deem useful. They can round out my documentation for future works by sending me accurate and late information of events that come

within range of their observation. They can give me their permanent address, so that they may be informed when subsequent books of mine are placed in book-stores.

Those of my readers who wish to co-operate with me can reach me at the following address :

André Chéradame,
Cercle Artistique et Littéraire,
7, rue Volney, Paris.

Paris, November 15, 1922.

THE MYSTIFICATION OF THE ALLIED PEOPLES

PRELIMINARY EXPLANATIONS

Before going to the heart of my subject, it is necessary, in order that this book may produce a useful effect, for me to make two explanations : one with regard to Franco-British relations, the other with respect to the Jewish question.

I

The explanation necessary between France and England.

The financiers by whom Mr. Lloyd George was surrounded are, by reason of their close relationship with the Pangerman leaders, second only to the latter in the harm — still existing — which they have done the people of the Allied nations. But as Mr. Lloyd George was, and has been for a long time, the Prime Minister of Great Britain, the story of the role played by the persons by whom he is surrounded leads logi-

cally to this explanation between France and England; an explanation which everyone in France, though somewhat apprehensive regarding it, felt was necessary.

The French people have their faults, but they are loyal, and faithfully cherish the remembrance of services rendered. And so the French can never forget the energy and courage with which the great British nation came into the war when France was threatened.

Doubtless the French realized that Great Britain's interest prompted her to take this action. They are likewise aware of the fact that, on the other hand, France's courage saved Great Britain from invasion. But they cannot admit of such great mutual services leaving behind them nothing but remembrances.

The French people cannot bring themselves to believe that the cordial solidarity existing between the two nations may be broken. For this reason they desire that the necessary explanation be of such a character as to draw them closer together, not to accentuate their differences.

No one is more thoroughly convinced of the necessity of this than the author of this book.

Years ago, I was one of the first Frenchmen to support the idea of the Entente Cordiale, at a time when that idea was not popular in France. I have long had many good friends among the English people. Even at the present time I

am thoroughly convinced of the fact that the immense majority of British citizens is desirous of being entirely loyal to France. In these circumstances, I make it a point to take the necessary precautions, so that this book may contribute to the explanation necessary between the two nations, without driving them further apart. Therefore, I am very careful to set well-defined limits to the question under discussion.

The group, of German-Jewish origin, by whom Mr. Lloyd George is surrounded.

A curious fact dominates the situation in Great Britain. For some years a group of financiers whose families, for the most part, are of German-Jewish origin, has assumed control of political power and exerts a predominant influence over Mr. Lloyd George.

The existence of this influence has been admitted by Frenchmen of the most divergent political beliefs : M. Hyacinthe Philouze (Cf. *L'Œuvre*, July 2, 1920), M. Roger Lambelin (Cf. *L'Action française*), M. Jean Piot (Cf. *Bonsoir*, May 17, 1921).

In *Le Matin*, May 24, 1921, M. Maurice Privat stated formally that Great Britain is today the prey of a golden « International ». « An oligarchy, without a mandate from the people, demonstrates the fact that Mr. Lloyd George

reigns, but does not govern. The Monds, Sassoons, Rufus Isaacs; those known as the representatives of the international banking interests, dominate Old England, own its newspapers and control its elections by means of gold, as indispensable for making known the good qualities of a candidate as for advertising a brand of mustard...

« Great Britain is following these imperious masters; they are leading her to the abyss... »

At the time when the ultimatum of May 1921 was issued, M. Jules Sauerwein, in *Le Matin* of May 1, 1921, called attention to the action of « certain bankers of the City whose relations with German financial houses are well-known. These gentlemen... wrote a letter to Mr. Lloyd George, filled with the gloomiest prophecies as to what would happen if the Prime Minister should be weak enough to yield to' French imperialism' ».

In the issue of *Le Matin* dated December 1, 1921, M. Jules Sauerwein went still further and proclaimed « the close dependency of Downing Street on certain banks ».

M. Georges Batault, in *L'Eclair*, under date of May 19, 1921, furnished the necessary detailed information regarding these persons.

« The close solidarity existing between Mr. Lloyd George and Jewish high finance is easily shown by brief biographical sketches of

some of the influential personages by whom he is constantly surrounded. For instance, these men, or a few of them, are : Sir Philip Sassoon, secretary to the Prime Minister ; Lord Reading (Rufus Isaacs), member of the Privy Council, Viceroy of India ; Lord Montagu (Edwin Samuel Montagu), member of the Privy Council, Secretary of State for India ; Sir Herbert Samuel, member of the Privy Council, « Viceroy » of Palestine ; Sir Arthur Mond, member of the Privy Council, holding a Minister's portfolio with the present Government.

« Each of these names represents not only an eminently prominent individual, but also a veritable chief of a tribe and head of immense international financial interests.

« Sir Philip Albert Gustave David Sassoon, secretary to Mr. Lloyd George and his constant companion, whose famous estate of Lympne is so frequently used as a meeting-place by the Supreme Council, is the son of Sir Edward Albert Sassoon, one of the richest financiers in the world. On his mother's side he is a grandson of Baron Gustave de Rothschild (the Sassoons are Asiatic Jews, coming originally from Bagdad). Sir Philip Sassoon, in company with his brother Ronald Sassoon and his cousin, D. R. Sassoon, is at the head of the banking house of *David Sassoon and Co.* He is likewise closely related to Sir Jacob Elias Sassoon, head of the

firm of E. D. Sassoon et Co., one of the most powerful commercial and financial establishments in India and the Far East, and is a near relative of a score of other Sassoons in England and India. The House of Sassoon, with all its affiliations and ramifications, is considered, from a financial standpoint, as holding the same position in Asia as that held by the House of Rothschild in Europe. Sir Philip, Mr. Lloyd George's secretary, being a Sassoon on his father's side, and a Rothschild on his mother's, is without question one of the most important financial personages in the world.

« Lord Reading (Rufus Daniel Isaacs), member of the Privy Council, former Attorney-General, ex-Minister of Justice, is now Viceroy of India. Towards the close of the war Lord Reading was sent as High Commissioner and Ambassador Extraordinary from Great Britain to the United States. As such, he possessed tremendous influence with President Wilson and his intimate associates, among whom were a great number of Jews. He played a prominent part in the drawing-up of the peace terms and in the creation of the League of Nations. An intimate friend of Mr. Lloyd George, Lord Reading is one of the leading men in English public life. He belongs to the world of Jewish high finance, in which his two brothers play very important parts. One of them, Godfrey Charles Isaacs, is

general manager of all the Marconi companies, and could justly lay claim to the title of the Wireless King. The other, Harry M. Isaacs, manages and controls *the British Cellulose and Chemical Manufacturing Co.*, the largest manufacturers of chemical products in England.

« The Samuels constitute a vast tribe, exceedingly numerous, influential and complex. Besides two of Mr. Lloyd George's intimate associates: Lord Montagu (Edwin Samuel Montagu), member of the Privy Council and Secretary of State for India, and Sir Herbert Samuel, « Viceroy » of Palestine, there is a host of other Samuels belonging to the world of Jewish high finance. For instance, there is Sir Harry Simon Samuel, member of the Privy Council; Lord Swaythling (Montagu Samuel Montagu) and his son Louis Samuel Montagu Swaythling, who are at the head of the banking house of *Samuel Montagu and Co...*, one of the strongest banks in the United Kingdom. Then there is the Samuel group, the petroleum kings: Sir Marcus Samuel, Samuel Samuel and W. H. Samuel, who control the *Shell Transport and Trading Co.* and the *Anglo-Saxon Petroleum*, as well as the *Royal Dutch Co.*, the *Mexican Eagle Co.* and the *Balaafsche Petroleum Maatschappij*.

« Last comes Sir Alfred Moritz Mond, member of the Privy Council, Minister in the present British Cabinet and head of the Economic Coun-

cil of the Zionist movement. This man, the son of a naturalized German, is one of the nickel kings, the supreme master of international commerce in chemical products, and proprietor of the *Westminster Gazette*.

« On the occasion of the recent stormy meetings of the Supreme Council at London, all the newspapers referred to Sir Alfred Mond's insistent and repeated efforts to influence Mr. Lloyd George. Sir Alfred's paper, the *Westminster Gazette*, never for an instant let up in its animosity towards England's Allies or its marked indulgence towards the economic and financial interests of Germany. Sir Alfred Moritz Mond is one of the directors of the firm of *Brunner Mond and Co.* (with a capital equivalent to about 250,000,000 francs), the *Mond Nickel Co.* and half a score of other highly important enterprises.

« Before the war — and doubtless after the termination of the war as well — the firm of *Brunner Mond and Co.* had an almost exclusive export monopoly of German chemical products; it controlled the price of chemicals in every market of the world. Inasmuch as coal is the base of all chemical industry, it is easy to understand Sir Alfred L. Moritz Mond's desperate efforts, not only to prevent the Allies from occupying the Ruhr basin, but also the awarding of the Silesian mines to Poland...

« Associated with Sir Alfred Mond in all his enterprises is his brother, Robert Ludwig Mond. Sir Alfred's daughter married the son of Lord Reading (Rufus Isaacs), Viceroy of India. » And M. Georges Batault concludes by saying : « The group of which Mr. Lloyd George is the very eloquent mouthpiece is by no means the British people, but Jewish international finance, whose headquarters are the London Stock Exchange. »

Similar evidence is furnished by English sources of unquestioned good faith.

As early as April 1919, the *Times* was loyal enough to give the warning : « *The money power is at work.* » Even then it was evident to the initiated that the financiers by whom Mr. Lloyd George was surrounded were at work endeavouring to deprive France of the fruits of her victory and to enable Germany to evade reparation. The Money Power! So the *Morning Post* characterized it : « We hereby notify the Prime Minister that it is common talk, not only in England, but throughout the whole world, that he is allowing his Jewish friends to interfere much too freely in the management of the affairs of the British Empire.

« We have no desire to introduce race prejudice into this matter, but it is a notorious fact that international finance is exceedingly interested, not only in the financial credit, but also in the industrial power of Germany, and that it

has a greater interest in German than in British industry. However this may be, it is high time to notify Mr. Lloyd George that there are bankers of English blood in the City of London, better qualified to advise him with reference to sanctions and Germany's ability to pay, and that it is possible that their advice might not be so favorable to Germany as that which he is now receiving. » (Quoted by *Le Matin*, May 3, 1921).

On the other hand, if it is beyond question that Jews of German origin occupy most of the influential positions in England, it is equally true that they do not represent real British public opinion, in spite of the fact that they are often able to make it appear so, by means of the many newspapers they control.

No one can deny that Rudyard Kipling is in touch with prevailing public opinion in Great Britain.

Now, in May 1921, when the question of occupying the Ruhr was being discussed, Rudyard Kipling made a statement that was intended as an indirect word of advice to the French Government.

« All that is best in England », he wrote, « all those who fought at your side will uphold you, in England, in your claims. You are opposed by nothing but a few scattered groups. Do not pay any attention to them. »

The danger that the Jews of German origin

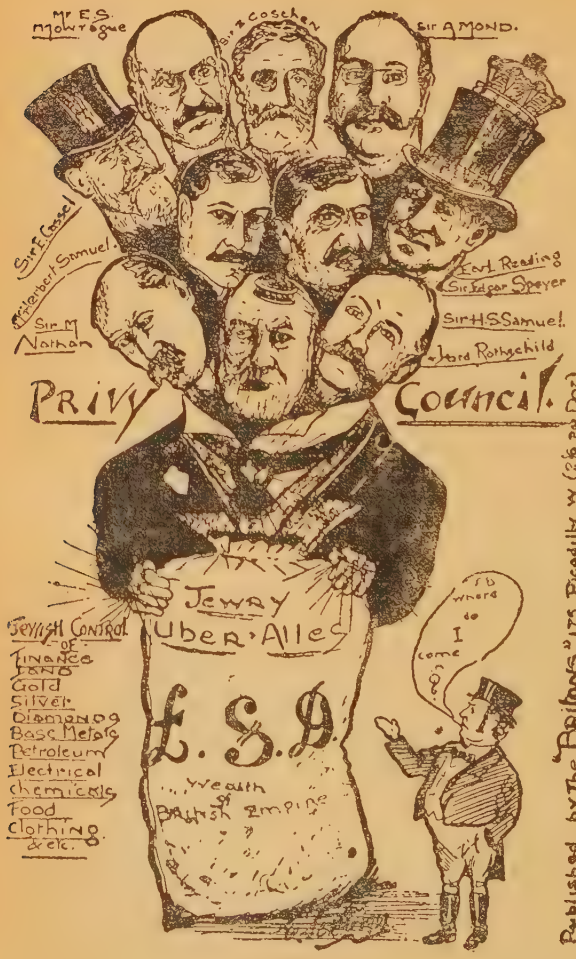
may obtain possession of power has become so manifest that a protective movement has sprung up in Great Britain.

The Jews' Who's Who, published by *The Judaic Publishing Co., 62, Oxford Street, London, W.*, contains an accurate and carefully-prepared documentation on the Jewish question in England. A cut taken from this work is reproduced herewith. It shows, under the form of a propaganda cartoon, the names and pictures of the ten principal Jews belonging to the British Privy Council, and who, in the words of *The Jews' Who's Who*, p. 16, « control literally hundreds of millions of pounds, and it is entirely owing to their grip over finance that they wield the sinister power they do ».

Most of these Jews are descended from a Jewish family « ashkenazi », generally from the vicinity of Frankfort. They have retained their German sentiments to such a degree as to manifest them at times with an astonishing impudence.

The Jews' Who's Who, page 2, states that on the occasion of the collection of funds for the Jubilee of Wilhelm in 1913, two members of the British Privy Council, « the Right Honourable Sir Ernest Cassel », recently deceased, and « the Right Honourable Edgar Speyer, banker », did not hesitate to subscribe one thousand pounds sterling to this fund for the Kaiser's benefit.

THE JEWS' WHO'S WHO.


Mr E.S. Montagu
Sir A Mond.
Sir E Cassel
Sir Herbert Samuel.
Sir M Norman
Earl Reading
Sir Edgar Speyer
Sir H.S Samuel.
Lord Rothschild
PRIVY Council.
Jewry
Uber-Alles
JEWISH CONTROL OF FINANCE LAND Gold Silver Diamonds Base Metals Petroleum Electrical chemicals Food Clothing &c.
£. S. D.
Wealth of the British Empire
I'd where I come from?
Published by The Britons, 175 Piccadilly, W. (2½ per Doz)

At the close of 1921 it was proved that this same « Right Honourable Edgar Speyer », who, in his capacity as member of the Privy Council, was in a position to know the secrets of the British Government, had been guilty of total disloyalty towards England.

An article in *Le Temps*, under date of December 15, 1921, stated : « A grave measure has just been taken with regard to Sir Edgar Speyer, banker, born at Frankfort, naturalized British subject February 29, 1892, and appointed member of the Privy Council. By decision of the Home Secretary his naturalization papers have been revoked and his name stricken from the list of members of the Privy Council.

« The revocation of naturalization papers likewise applies to Sir Edgar Speyer's wife and children.

« *This measure was taken as the result of an investigation in which it was proved that Sir Edgar Speyer : 1st, in word and act, was lacking in loyalty to His Majesty ; 2nd, that he was in unlawful communication, during the war in which His Majesty was engaged, with subjects of an enemy State, and was implicated in an affair which, with his knowledge, was conducted in such a way as to aid the enemy during that war.*

« The *Official Gazette*, which publishes the Commission's decision, adds that it is directed

solely against Sir Edgar Speyer personally, and in nowise affects any of the other partners in the bank to which he belongs. »

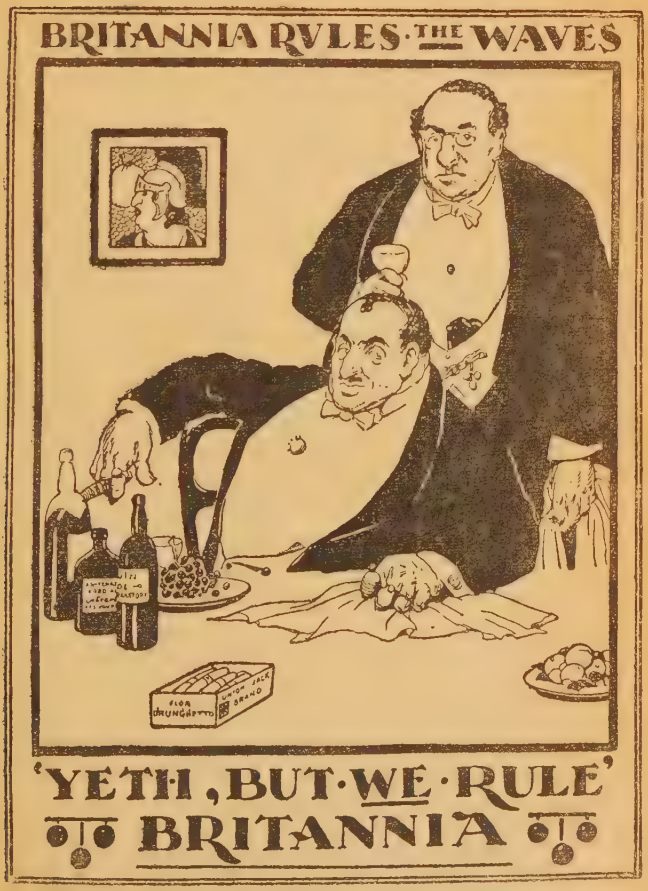
As regards this last phrase, every man has a right to his own opinion, but it is allowable to suspect that if some real Englishmen set out to make an investigation of the acts committed, during the war and since the Armistice, by their prominent financiers of German-Jewish origin, they would make some interesting and extremely useful discoveries.

However this may be, the grip that these financiers of German-Jewish origin have on England is something astounding. They control finance, real estate, gold, silver, diamonds, petroleum, electricity, chemical products, foodstuffs and clothing. This state of affairs is portrayed by the cartoon reproduced from *The Jews' Who's Who*, entitled : « Britannia Rules the Waves. Yeth, but we rule Britannia ».

This is the situation, anomalous but nevertheless true, which constitutes the real cause of the misunderstanding between the French and British people. The English group of Jews of German origin, stands like a wall between the people of the two nations, disturbing their harmonious relations for the benefit of Germany.

In this book, our criticisms and objections are directed solely against this German-Jewish, consequently non-British, influence.

THE JEWS' WHO'S WHO.



The French people are well aware of the fact that they have no business interfering in Great Britain's domestic affairs, as regards the excessive Jewish influence therein. But at the same time the French people do not propose to have its vital interests persistently harmed by the Jews, of German origin, by whom Mr. Lloyd George was surrounded.

For instance, the people of France cannot allow their future to be influenced by the fact that Sir Edgar Speyer, banker, totally disloyal to Great Britain, has a sister married to Mr. Arthur von Gwinner, director of the *Deutsche Bank*, or that the same Edgar Speyer married a sister of Max Warburg of Hamburg, one of the organizers of the Armistice (See page 53).

II

Why I am careful to make a distinction between the group of Pangerman Jews and Hebrews generally.

One fact is beyond dispute : namely, the existence of Jewish groups in London, New York and Moscow who are exercising a predominating influence on events ever since the Armistice.

From this fact, many persons draw the conclusion that a universal Jewish conspiracy exists, whose object is to seize world-wide power.

I wish to set forth very clearly why I do not take that stand.

In the first place, in the course of my travels, I have ascertained certain facts which contradict the idea of a Jewish conspiracy for worldwide domination.

I know American Jews who, at a time when there were tremendous obstacles to overcome, worked very hard to bring about American intervention in behalf of France and against Germany. When the American army first called for volunteers, a number of Jewish clerks employed in the New York City Hall were among the first to enlist. A number of very prominent Jews have always maintained a most unequivocal and loyal attitude. For instance, Samuel Gompers, President of the American Federation of Labor, has long wielded a tremendous influence. He has always proved himself to be an out-and-out anti-Bolshevist, and opposed to the German criminals. And how many other examples might be given !

As matters stand today, therefore, I do not believe that it is possible to affirm the existence of a worldwide Jewish conspiracy without being guilty of a statement that is erroneous, and at the same time unjust.

Consequently, I confine myself to dealing with an indisputable fact.

A group of Jews exists throughout the world

who, by reason of their German origin, their financial interests and their cupidity, are playing the Pangerman game. There is still another advantage in showing up clearly the immense danger arising from these Jews.

A revelation of the real situation would naturally help to create a group of anti-Pangerman Jews; in other words, Jews who are loyal subjects of the Entente countries, and to whose vital interest it is to disassociate themselves publicly from the Pangerman Jews, whose actions have already thrown their fellow-Hebrews under a cloud of suspicion. It is evident that unless the anti-Pangerman Jews soon make their attitude clear by energetic and sustained action, the idea that a Jewish plot for world-wide domination exists will gain general headway. In that event a formidable anti-Semitic movement is apt to develop in the course of the next few years.

Therefore, in discussing my subject, the fundamental reason why I have taken pains to limit the stand I take, insofar as it refers to the Jews, is so as not to work any injustice, and so as not to compromise the necessary manifestation of the anti-Pangerman Jews. My attack is directed solely against those Jews who can be properly termed Pangermans, because they are playing Pangermany's game.

INTRODUCTION

Proofs that a mystification really exists

The French people feel that they have been abominably duped since the Armistice, but they believe that they are the only victims. The truth of the matter is even more amazing and tragic than that : for victory is on the high road to being transformed into defeat for all the Entente countries without exception.

It has been already proved that Mr. Wilson made peace contrary to the will of the American people, who, on the occasion of the general election of November 5, 1918, declared that they demanded Germany's « unconditional surrender ». It has been shown that Mr. Lloyd George made peace contrary to the will of the British people, as clearly expressed by the general elections of December, 1918 ; a sentiment which, *at that time*, was in entire harmony with that of the French people. It has been demonstrated that M. Clemenceau made peace contrary to the will of the French people, as indicated by numerous votes taken in the French

Senate and Chamber, before and after the Armistice. « Much we care about treaties », the Grand Duke of Mecklenburg-Schwerin stated to Mr. Gerard, the American Ambassador. At the time the Armistice was signed, the humblest citizens in the Entente countries were perfectly well aware of the fact that the Germans would carry out only those obligations they would be unable to evade. Despite this fact, the essential stipulations of the Treaty of Versailles are based solely on the Germans' respect for their plighted word !

Beginning with this piece of absurdity, the most extraordinary facts have been succeeding one another faster and faster. Mr. Lloyd George has favored Germany to such an extent that that country is now seriously threatening British foreign commerce, so indispensable to the life of England. As for France, which was the base of the Allies' resistance, her 1,365,000 killed and 1,500,000 wounded and maimed gave her, by consent of universal public opinion, an absolute right to indispensable and immediate reparations. The French Government leaders, contrary to the nation's urgent needs, made peace — up to the end of 1922 — not by acts, but merely by drawing up papers, making speeches and holding conferences. The more obligations that Germany — she of the scrap of paper — has failed to meet, the more they have signed

new scraps of paper, ever trusting in Germany's promise to carry out engagements which, plainly, she has no intention of fulfilling.

The facts in the case are becoming more and more incomprehensible.

Devastated France, with a population of thirty-nine and a half millions, has been able, since the Armistice, to advance eighty billion francs on the amounts Germany owes her for reparations and pensions. During the same period, namely, up to the close of 1921, Germany, which was not invaded, and with a population of sixty-one million inhabitants, has not been able to pay more than one billion gold marks to all the Allies!

Within two and one-half years after 1870, France paid Germany five billions of gold francs without affecting the general condition of foreign exchange. But two and one-half years after the Treaty of Versailles, the payment of a single billion of gold marks by the Germans profoundly affects the condition of exchange throughout the world!

The mark, the monetary unit of the German nation, has been systematically depreciated, and is worth practically nothing; but the real wealth of Germany remains intact. Her industrial prosperity is so great that her foreign commerce, in full swing, nets her a profit of many billions, an amount immediately converted

by the Pangerman business men into dollars and pounds sterling, and carefully hoarded in the banks of the neutral countries.

Of all the large nations comprising the Entente, France, sorely devastated, is the one that has suffered the greatest loss in life and treasure. And yet France, by vote of her Allies, was excluded from participating in the one single billion paid by Germany!

And France's credits due from Germany have been constantly diminished, and in every case through the acts of her Allies. Unless France be paid, it is evident that she is being driven to bankruptcy. And France's political leaders are continually accepting these constant sacrifices in order, so they claim, to save the alliances with England and Italy.

The strange truth of the attitude of France's Allies towards her is clearly summed up in the following sentence, written by the author of « Opinions from the Province », appearing in *Le Temps* : « *For two years and a half, we have been prevented by our Allies from putting into execution the actions necessary to the defense of our national life.* » (May 24, 1921.)

How curious! Allies who prevent you from accomplishing the acts indispensable to the security of your national life! If these Allies were out-and-out enemies, what more could they do?

One fact, as undeniable as it is amazing, char-

acterizes this extraordinary situation. *France, less than three years after her great victories of 1918, is infinitely less respected by the Germans than she was in 1887, after the crushing defeats of 1870.*

In 1887 a simple frontier incident almost caused a conflict between France and Germany.

M. Guillaume Schnaebelé, commissioner at the frontier station of Pagny-sur-Moselle, was enticed into German territory by the German commissioner Gautsch and arrested as a spy.

President Grévy and Minister Goblet, representatives of a France that was defeated and without alliances, protested so vehemently, and were so well able to defend the dignity of their country, and to prove that M. Schnaebelé had been the victim of a veritable trap, that Prince Bismarck, then at the height of his glory and power, was constrained to release his prisoner, and by so doing to dispense justice to France on the morrow of her defeat.

On June 29, 1919, Germany, in turn, was compelled to admit defeat in the Chateau of Versailles before victorious France, surrounded by her numerous Allies : the United States, Great Britain, Italy and many others. And yet, only one year later, on July 14, 1920, the French flag was torn down in broad daylight from the roof of the French Embassy in Berlin. Since that time it has frequently happened that offi-

cers and soldiers on official missions to Germany have been attacked and assassinated. On every one of these occasions, it is true, the German Government has expresed its « regrets » to the French Government for what the latter has been pleased to consider as an « incident ».

On the 4th of July, 1921, Commandant Montalègre was assassinated by a German at Beuthen, Upper Silesia. *L'Eclair*, under date of July 6, 1921, — a paper edited by M. Buré, a former Cabinet head under M. Briand, and consequently an organ that cannot be suspected of partiality towards M. Briand, stated in a signed article by M. S. de Givet :

« *At the Quai d'Orsay, an attempt was made last evening to attribute a purely local character to the disturbances and the attempted crime. They claimed that it was a police affair and stated that the troops under the High Commission had sole jurisdiction in the matter. They added that it would be exceedingly difficult to locate the guilty persons and punish them, because it was necessary to search for them in the midst of a vast crowd !*

« *It is astonishing that the Foreign Office does not realize that the real guilty parties are very easy to find, provided they are sought, not at Beuthen but at Berlin, If anyone desires proof of this, he has only to read Dr. Wirth's latest speech.* »

In the face of such an attitude, criminal

attacks became more and more frequent. The Foreign Office (Quai d'Orsay) was compelled, shortly afterwards, to refer to them in an official note. « On July 8, 1920, a French inspector was attacked in his hotel at Ratibor. On July 12 Captain Lux was assaulted in his house in Oppeln. Lieutenant Duval was stabbed with a dagger. M. Schaedelin, a French magistrate, was assaulted, brutally treated and robbed, while the police refused to interfere. » (Cf. *Le Temps*, July 17, 1921.)

But, on August 1, 1921, Leo Joschke, the German assassin of Commandant Montalègre, was arrested. Under examination he admitted having fired on the leader of the French detachment from a distance of about six yards. On August 25 Joschke was tried by an Inter-Allied court! Despite the prisoner's confession, the Court « found that all that had been proved was that he had fired with the intention of killing a French officer », and the Inter-Allied (!) Court refused to admit premeditation. Consequently, Joschke received the light sentence of five years in prison. « At that price », wrote M. Maurice Muret in *La Gazette de Lauzanne*, « It is hardly worth while depriving oneself of the privilege. Political assassination does not count in the Reich. »

Since this sentence, criminal attacks on Frenchmen have continued in Germany. They

have become a « local item. » The newspapers do not show a vestige of evidence that the French Government has demanded punishment befitting such crimes.

Following the « incidents » with the Germans came the « incidents » with the Italians. In the latter part of September, 1921, the official French Mission, sent into Italy under the leadership of Marshal Fayolle who, during the war, commanded the French forces in Italy after Caporetto, was hooted in Venice with cries of « Down with France ». And judging by the general tone of the press, one would almost have believed that it was France that was in the wrong! The Press attitude was the same towards the latter part of November, 1921, when the French Consulate in Turin was sacked by a crowd of Italian students.

A still more extraordinary incident occurred.

At the Washington Conference (November, 1921), France, although for the past three years she had given proofs of a moderation which it is not at all unlikely that history may call by another name, was obliged to defend herself before her American friends, to protest that she was not militarist, and that she disapproved of imperialism! It was necessary for France to explain why she is trying to protect herself against another German attack.

Now, irrespective of whether one does or does

not like France, the war demonstrated clearly that France was the bulwark of a number of nations, for the simple reason that France represents in Western Europe an indispensable counterpoise to Germany's spirit of domination, and consequently, that she forms an essential part of the great mechanism which regulates the independent life of nations.

Without France's stubborn resistance, Italy and Great Britain would have been invaded and sorely devastated. Without her resistance the United States would today be at grips with the Pangerman peril.

Without France, there would be no Poland, no Czechoslovakia, no Jugoslavia, no expansion of Roumania and Greece. France's role, which, by reason of the position she occupies in Europe, is the guaranty of the independence of a number of nations, seems already to be misunderstood by some of those who are vitally concerned in understanding it. There are some people, such as the men by whom Mr. Lloyd George was surrounded, who even go so far as to maintain that before anything else is done, Germany — responsible for the war, uninvaded — ought to be rehabilitated. These men claim that, above all and before all, the prosperity of Germany must be secured; Germany, with her commerce winning markets today in every quarter of the globe!

From a logical point of view, it is simply incomprehensible. Every one of these facts is contrary to common sense and the general interests of the Entente countries.

All of the above goes to prove that the people of the Allied nations are the victims of a prodigious dupery which at first sight is anomalous. Now, the first question arises : How, in times like ours, is it possible for the hundreds of millions of men who make up the populations of the Allied countries to be hoodwinked in such a fashion ?

CHAPTER FIRST

WHY IT IS POSSIBLE TO MYSTIFY THE PEOPLE OF THE ALLIED COUNTRIES

I. **How it has come to pass that the Germans were the first ones to discover the powerful effect of science as applied to foreign politics.**

II. **The war of political sciences.** The results obtainable from geography, ethnography, political economy and national psychology.

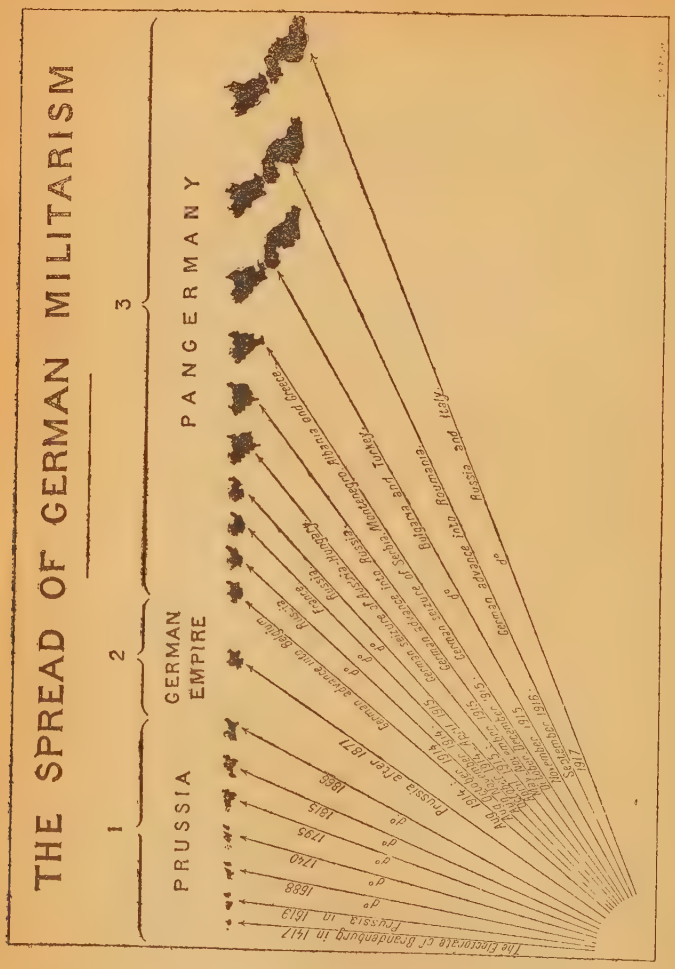
III. **The Pangerman leaders:** diplomats, military men, financiers or men of affairs: the Warburg brothers, Walter Rathenau, Hugo Stinnes.

IV. **The Pangerman leaders possess a monopoly of political jiu-jitsu.**

V. **The Allied nations are considerably inferior in the technical field of foreign politics.**

At the outset of the war in its strictly military form, the Germans had the advantage of a tremendous technical superiority: i. e. a better knowledge of utilizing trenches, an abundance of heavy artillery, a monopoly of asphyxiating gas, etc. The only reason why the Allies were able to win the war was that, once they recognized the German superiority in these respects, they made every effort and every sacri-

fice necessary in order to equal, and later to



excel the enemy in a kind of war that was waged under a purely military form.

In like manner, in order to put an end to the mystification which is transforming the Allied victory into defeat, they must begin by recognizing frankly that the Pangerman leaders are far superior to them from a technical standpoint, in the field of foreign politics.

To admit this truth, disagreeable and at the same time explanatory of so many things, is the prime condition of salvation.

I

The spread of the idea of German domination, based as it is on militarism, is the result of three historical stages: Prussia, the German Empire and Central Pangermany as an accomplished fact at the close of 1917. (Cf. p. 30.)

Central Pangermany, based on the Hamburg-to-Bagdad plan, epitomizes the world-wide Pangerman plan, because the possession of the Hamburg-to-Bagdad route leads logically to world-wide German domination. (Cf. p. 32.)

Inasmuch as the preparation of the Pangerman plan lasted for twenty years before the European War, it led the German leaders to study thoroughly, step by step, during that long period, the geographic, ethnographic, economic and psychological aspects of the many political problems they would have to

solve before arriving at world-wide domination. This prolonged effort gave them a profound and thoroughly practical knowledge of the

THE HAMBURG - TO - BAGDAD
Basis of the World-wide Pangerman Plan

Comte P Pollacchi

great political sciences : geography, ethnography, political economy and national psychology.

This knowledge, which it took them so long to acquire, enables the Pangerman leaders today to utilize, at any time, the forces derived

from a practical application of the political sciences. As a matter of fact, these forces are more efficacious than the most powerful explosives.

II

Step by step, the Pangerman leaders have succeeded in learning the secret of applying the political sciences equally well in peace and war. In this way they have evolved the conception of « the war of political sciences », capable of being waged continually.

They used this form of warfare prior to the Great War, particularly from 1905 on, in order to weaken Russia and France in the midst of peace by means of insidiously-organized pacifist manœuvres. (On this subject see my book : *La Crise Française en 1912.*)

During the military war, the war of political sciences was waged concurrently by the Germans in order to weaken the morale of the Allies behind the fighting lines by an insidious propaganda, and by so doing to bring hostilities to an end before the Entente obtained a decisive victory. This result they obtained by the Armistice of November 11, 1918. (Cf. p. 112).

Since the Armistice « the war of political sciences », which has been brought by exper-

ience to a greater degree of perfection than ever, is the only one the German leaders are waging. This form of warfare enables them, little by little and without firing a shot, to transform the Allies' nominal military victory into a real defeat.

Let us take some examples furnished by the war or the period following the Armistice, and by them prove the tremendous results the Germans have been able to derive from the practical application of the four great political sciences : geography, ethnography, political economy and national psychology.

Geography.

The Germans make a thorough study of geography for two reasons : war and commerce.

Towards the latter part of 1916, the Germans attacked Roumania. It was necessary, for strategic reasons too long to explain here, that they should rapidly force the Constantza-Cernadova line before attacking at other points. This Constantza-Cernadova line was in Dobrudja, a swampy country exceedingly difficult for an army to invade. The geographical preparation for this operation received very particular attention. Beginning in the early part of 1916, and taking advantage of the fact that Germany was not yet officially at war

with Roumania, espionage was organized in Dobrudja, under the guise of archaeological expeditions made by Germans. Later, these men turned over to the military authorities photographs and topographical abstracts of the highest importance.

This detailed information enabled the General Staff at Berlin to offset the swampy character of Roumanian Dobrudja : a character which, under ordinary circumstances, rendered this region inaccessible to an army with immense and heavy modern equipment. The geographical investigation made by the Germans enabled them to know how many culverts they had to have in order to bridge the brooks, and to calculate the immense area of movable planks required in order to improvise artificial roads over the swampy ground : roads over which motor trucks and tractors could pass. As soon as the special material necessary for a rapid advance into Dobrudja was thoroughly planned, it was constructed and concentrated, several months in advance, ready for use, on the ground; in other words, on the line occupied by the armies of the Central Empires in Bulgaria, between Roustchouck and Varna.

Therefore, had it not been for the geographical investigation in Dobrudja, which was carried to a degree of perfection as yet unknown in the Entente armies, Mackensen's heavy

artillery certainly would not have been able to advance into that region with the amazing rapidity that astonished all the Allies.

Again, it was by reason of their painstaking study of the Soissons quarries, made in France long before the war, that the Germans, after their defeat at the Marne, were able to entrench themselves in those quarries, and to establish positions that for a long time were impregnable. Had they not made this minute geographical investigation of the Soissons quarries, it is more than probable that the French, in their pursuit of the Germans after the Battle of the Marne, would have been able to drive the enemy much further back. By this very fact the entire evolution and duration of the war would have been changed, to the immense advantage of the Allies.

The fact that the Soissons quarries might assume a military importance as great as the outcome proved, never had been dreamed of in France.

The Dardanelles expedition, so disastrous because so wretchedly organized, was undertaken by the British Admiralty on the strength of approximate documents. The maps first used by the British were found later to be inaccurate. No really useful maps were available until some German maps were taken from some captured Turkish officers.

Ethnography.

The study of ethnography enables one to estimate not only the numerical strength of various races and their distribution in a territory, but also their physical, intellectual and moral worth, and consequently their military value. In this way ethnography makes it easy for one to form a reasoned opinion of the future of a people, and of the advantages or disadvantages of admitting them into proposed political combinations.

The immense importance of ethnography is proved by the tremendous role it played in causing the war, during hostilities and since the Armistice. A proof that this role has not yet been thoroughly understood is shown by the fact that many people in the Allied countries are still asking the question : « Since the Germans in 1914, in peace-time, were winning the markets of the world, why did they consider it indispensable to start the war? »

The reason which, despite this situation, drove the Germans to war is essentially an ethnographic one. The Slav and Latin populations of Austria-Hungary and the Balkans, *more prolific than the Germans*, — and this is a fact that must be borne in mind, — were

making such economic and numerical progress that if peace had lasted after the Treaty of Bukharest, August 10, 1913, the strength of these races would have become so great that in a few years Germanism and Magyarism would have been submerged in Austria-Hungary. The execution of the essential part of the Pangerman plan : i. e. the carrying-out of the Hamburg-Persian Gulf route would, for that reason, have become impossible *in time of peace*. (Cf. p. 86.)

Thus, without a war, the growth of national anti-German elements — *ethnographic elements* — threatened the whole Pangerman plan. It was solely in order to destroy by force, or to enthral these ethnographic elements that were opposed to Pangermanism, that the Berlin leaders deemed it absolutely necessary to start a war in Central Europe, even at the risk of it spreading throughout the Continent. This decision was made even though, at that time, a general war was not indispensable to enable Germany, by a few years of patient waiting, to secure her victory over Russia and France. This victory would have come without a war, as a result of the final success of the powerful pacifist propaganda that had been organized in these two countries.

During the war, the profound ethnographic knowledge possessed by the Germans added

greatly to their chances of success in operations that were apparently of a strictly military nature.

For instance, the 8,340 square kilometers gained by Roumania in 1913 at Bulgaria's expense contained 302,000 inhabitants, of whom 150,000 were Turks and 125,000 Bulgarians. Moreover, further North, in what was Roumanian Dobrudja, there is a considerable Turkish element. At the same time that the geographical investigation referred to on page 35 was going on, a general uprising of these ethnographic elements that were favorable to Berlin : i. e. the Turks and Bulgarians, was systematically organized.

The result was that the entire Bulgarian and Turkish population of Dobrudja, even the women, suddenly took part, by every means possible, in the fight against the Roumanians, when Mackensen's troops approached. This reinforcement of about 275,000 people was of great assistance to the German general in quickly placing the special material intended for the construction of the artificial roads his armies needed (cf. p. 35). This rapidity was one of the conditions essential to his success. *It is evident, therefore, that the profound ethnographic knowledge of Dobrudja which the Germans possessed, uniting its effect to that of the geographical preparation, contributed immensely to the rapid*

advance of Mackensen to the other side of the Constantza-Cernavoda line.

Another and still more striking example is this : the tremendous influence of the Germans in Russia before and after the Brest-Litovsk Treaty ; an influence which enabled them practically to subjugate 130,000,000 Russians, led by a little group of Jews who were aided by technical experts sent from Berlin. This unheard-of result would have been impossible without the vast ethnographic knowledge of Russia that the Germans were able to acquire long before the war.

Ethnography could have rendered infinitely precious services to the Entente in the conduct of the war, by showing them how to shorten it considerably. In fact, if the Allied leaders had known the ethnography of Central Europe, they would have realized at the outset that they ought to depend on the twenty-eight millions of Slav and Latin races who were the vassals of the House of Hapsburg, and who asked nothing better than to desert the Austro-German cause, and thus bring about the breaking-up of Austria-Hungary, Germany's ally.

Consequently, the necessity and relative facility of the Salonica-Belgrade-Budapest-Vienna-Prague-Berlin expedition would have been recognized by the Allied Staffs in the early part of 1915, and it is almost certain that by the

end of 1915 the Entente would have obtained, through the breaking-up of Austria-Hungary, a victory infinitely less costly and much more decisive than the one resulting from the Armistice of November 11, 1918.

Political Economy.

Political economy, including as it does the study of financial, industrial, commercial and agricultural questions and their mutual relations, is a science that is exceedingly difficult to acquire and to keep up to date. The field of application of political economy is so vast that in this science the truth can only be approximated. However, this approximation is sufficient to give a tremendous advantage to the one who has been able to acquire it, and who is dealing with an adversary who has no idea whatsoever of economic truths, considered as a whole. His opponent's defeat is certain before the fight begins, and it frequently happens that he unsuspectingly subscribes to terms that are disastrous to his vital interests.

The study of political economy is difficult because the books dealing with it are not adequate to give a comprehensive knowledge of that subject. The printed documents are seldom late enough to enable one to assemble all the complex phases of a great economic problem.

There is only one method of arriving at conclusions that are sufficiently precise, broad and close to the truth. This method consists in obtaining information on the spot by extensive investigation. By means of such investigations, well-trained observers gather a mass of first-hand information which permit of deductions that are in conformity with the facts. It is evident that Government leaders who are in possession of such data are certain of a crushing superiority over those who have not made a similar effort to obtain information.

The Germans have long realized the necessity of expending large sums of money on such quests of information. This expense, however, is a marvellous investment, for the Germans have obtained immense practical results from their investigations.

More than twenty years before the war, the Germans economically arranged for the Turks' participation in the World War. And here is the proof of it. In 1897, a book was published in Berlin, entitled : *The Natural Wealth of Asia Minor, its principal resources in cattle, live-stock, agriculture and minerals.* A facsimile of the title-page of this book is reproduced on the page 44. This work is illustrated by dated photographs which prove that the investigations in Asia Minor, upon which the documentation of the book is based, were taken in 1893. This

is proved by the facsimile of the German text under one of these photographs.

This carefully-prepared geographic and economic inventory of the resources of Asia Minor was made by five German officers *on active service at that time :* Karl Kannenberg, First Lieutenant in the 19th Regiment of Field Artillery ; Captains Anton, of the 17th Regiment of Field Artillery, von Prittwitz and Gaffron of the 93rd Infantry Regiment, and First Lieutenant Schaeffer of the General Staff.

This fact enables us to understand how the Germans, thanks to their wide research work in practical political economy, were able to revictual their armies from all parts of Central and Eastern Europe, and in this way to hold out so long against the Allies, who were infinitely richer and more numerous. Again, it is as a result of their economic researches that the Germans were able to concentrate in their territory such quantities of raw material, stolen in every part of Europe, that after the Armistice they were in a position to resume industrial manufacturing, while waiting for raw material to come from abroad. Furthermore, it was by reason of their superiority in political economy that the Germans were able to have inserted in the Versailles Treaty insidious clauses and delays, the economic repercussions of which, foreseen by the Berlin leaders, but unsuspected by

those of the Entente, are fatal, even now, to the

KLEINASIENS NATURSCHÄTZE

SEINE WICHTIGSTEN

TIERE, KULTURPFLANZEN UND MINERALSCHÄTZE

VOM WIRTSCHAFTLICHEN UND KULTURGESCHICHTLICHEN STANDPUNKT

VON

KARL KANNENBERG

PREM.-LIEUT. IM THÜRING. FELDARTILLERIE-REGIMENT Nr. 19

MIT BEITRÄGEN

VON

PREM.-LIEUT. SCHÄFFER

KOMMANDIERT ZUM GROSSEN GENERALSTAB

UND

ABBILDUNGEN NACH AUFNAHMEN VON HPTM. ANTON (FELDART.-REGT. Nr. 17), HPTM. v. PRITTWITZ UND GAFFRON (INFANT.-REGT. Nr. 93) UND PREM.-LIEUTS. SCHAFFER UND KANNENBERG.

MIT XXXI VOLLBILDERN UND II PLÄNEN

BERLIN

VERLAG VON GEBRÜDER BORNTRAEGER

1897.

Ochsenbespannte Arabâ (zweirädriger Karren) zu Tchepni, einem Gebirgsdorf in einem rechten Seitenthal des Devréz Tchaÿ an den Nordausläufern des Karâkayâ, s. w. Tôsia.
Nach einer Aufnahme von K. Kannenberg am 9. September 1893.

Allied nations, and are of material assistance in reversing the situation to the advantage of the Germans.

If such things have been possible, the reason is that no one in the Allied countries has ever taken the pains to pursue exhaustive studies in political economy, in order to make it of a practical nature. The result of this lack of documentation has been that every one of the official economists of the Entente has been constantly mistaken as to the length of the war, the fluctuations of exchange, etc.

Among all the Entente economists, there is no doubt that Mr. John Maynard Keynes, British economic adviser at the Peace Conference, is entitled to the palm as the champion blunderer.

As will be more and more clearly proved by the force of events, Mr. Keynes made himself the promoter of a formula of economic peace with Germany. This formula was so favorable to Germany's foreign trade that, without a doubt, it is largely responsible for the industrial crisis now affecting all the Allied countries, and particularly Great Britain.

National Psychology.

In a great many quarters in the Entente countries, we still hear it said : « The Germans have no psychology. » This statement proves that national psychology as a political science, and the great extent to which the Germans

make constant use of it, are, as yet, something that the people of the Allied countries do not understand in the slightest degree.

The people of the Allied countries, however, cannot escape the Pangerman peril without realizing this fact : namely, that although as a general thing, the Germans lack natural tact, and their leaders at times make psychological blunders in the field of psychology, anyone who deludes himself with the belief that they do nothing else is wofully mistaken. As a matter of fact, the Pangerman leaders, in waging their war of political science, constantly and freely use a very special brand of psychology, derived particularly from methodical observation and exact information. This psychology is of an artificial character, but nevertheless it brings the Germans immense practical results.

The fact that the German Staff, by reason of its psychology, was exactly advised of Lenin's microbic virulence, at a time when he was in Switzerland; the fact that the German Staff thoroughly understood the psychology of the Russian peasant and workman and the psychological means of exploiting their sentiments; the fact that the German Staff sent Lenin into Russia at the psychological moment, in order, first of all, to dissolve the Russian strength, and later to make it the tool of the ends the Germans had in view : all these facts demonstrate

beyond question that the German leaders possess a psychology, perverse, it is true, but nevertheless highly political. The exploitation of Bolshevism under endless different guises, with tremendous results, in all the Entente countries (cf. p. 25) is nothing more nor less than a gigantic psychological manœuvre.

Therefore, let us admit that the Pangerman leaders understand a very special brand of psychology, artificially acquired, no doubt, but infinitely harmful; one against which the people of the Allied nations need to take precautionary measures, as they recently were obliged to do, during the military war, against asphyxiating gases.

The examples we have just given prove that the German use of perfected geography, ethnography, political economy and national psychology secured them immense advantages in carrying out their military operations, in prolonging their resistance and in hoodwinking the Allied nations : a game they have been playing ever since the Armistice.

On the other hand, the fact that the Allies have not made use of these same sciences has cost them tremendous additional sacrifices in time, lives and treasure.

III

Germany is able to carry on a war of political science because she possesses a body of men who have received the special training requisite for knowing how to extract forces that are really practical and worth while from geography, ethnography, political economy and national psychology.

These men are represented by the little group which formerly surrounded Wilhelm II, and which, ever since the Armistice, has been ruling Germany to a greater and greater extent, without, however, being officially in power.

These men, who are the Pangerman leaders, belong to various walks in life. Among the most prominent are :

Diplomats. Men like von Bulow, von Bernstorff, von Brockdorff-Rantzau, von Hintze, von Kuhlmann, Dr. Rosen and others, have been familiar with the Pangerman plan for the past twenty years. During that period they have read the reports of the countless secret agents that Germany maintains everywhere, in order to prepare for carrying its plan into execution.

From this leading principle, it follows that the German diplomats are immensely superior, from a standpoint of information, to those of the Entente. The latter belong to countries that

have no definite plan; they have spent their lives in handling current matters or settling petty difficulties in legations or embassies that possessed information services greatly inferior to those of the Germans.

Military Men. Officers such as General Ludendorff; his intimate co-worker Colonel Bauer; General von Luttwitz, General von der Goltz, Major Bischoff, General von Seeckt and others, possess the unusual faculty of being as conversant with the subtleties of the war of political science as with those of purely military war. This is why, since the Armistice, the ever-increasing activity of these officers has been remarked in Russia, Upper Silesia, Hungary, Italy and other countries.

Financiers and men of affairs. At the head of this group are the men in charge of the *Deutsche Bank*, the formidable financial institution that has worked so long for the accomplishment of Pangerman aims. (Cf. page 213.)

Karl Helfferich, ex-director of the Anatolia Railway, ex-director of the *Deutsche Bank*, ex-Minister of Finance, ex-Imperial Vice-Chancellor, Food Dictator during the war and Ambassador to Moscow at the beginning of the Soviet regime, is one of the Pangermans who has played a leading role for the past thirty years.

Familiar with all the secrets of Wilhelm II,

Karl Helfferich, under the Kaiser's direction, was in charge of the Hamburg-to-Bagdad scheme. Since the Armistice, Helfferich has helped manage Germany's financial camouflage, so as to give that country, as speedily as possible, the appearance of being actually unable to pay.

Arnold von Siemens, a director of the *Deutsche Bank*, chairman of the Board of Directors of the Siemens and Halske Co. and the Siemens-Schuckert enterprises, with a capital of 90,000,000 marks, is such a rabid Pangerman that at the end of 1918 he wished to continue the war at all costs.

Arthur von Gwinner, another pillar of the *Deutsche Bank* and one of the protagonists of the Hamburg-to-Bagdad scheme, was one of the protectors of Ludendorff and Helfferich.

It may be well to remark that Herr A. Gwinner married Miss Anna Speyer, a Jewess, sister of the two owners of the Lazare-Speyer Bank, Frankfort, of Edgar Speyer, banker, of London, and of James Speyer, banker, of New York.

Another member of the group, Herr Deutsch, a Jew, is general manager of the *Allgemeine Elektrizitäts Gesellschaft* (General Electric Company) a huge concern with immense ramifications. Herr Deutsch, by reason of his surpassing ability in financial and economic matters, was one of the experts sent on several occasions by Germany to treat with France. It

may be well to note that Herr Deutsch's brother-in-law is Mr. Otto Kahn, one of the principal members of the banking firm of Kuhn, Loeb and Co. of New York.

Three brothers belonging to the Warburg family, Hamburg Jews, have exercised an extraordinary influence on events.

Before the war, Mr. Max Warburg, one of the principal stockholders of the Hamburg-America and German Lloyd steamship lines, was stationed at Hamburg in charge of the Rothschild interests, and as a partner in the Jewish-German-American banking house of Kuhn, Loeb and Co. of New York.

During the war Max Warburg managed to transmit large sums of money to Bronstein, *alias* Trotzky, in order to help the latter to get control of Russia.

In view of the fact that he had highly influential associates and relatives in Berlin, London and New York, Max Warburg was chosen as head of the German financial delegation to the Paris Conference. In this way he took a leading part in drawing up the hoodwinking clauses of the Treaty of Versailles, particularly those dealing with reparations. (Cf. page 155.)

Felix Warburg, brother of the foregoing, married a daughter of Jacob Schiff. Mr. Schiff, who died in 1920, was born at Frankfort, was the New York head of the largest Jewish-German-

American bank: Kuhn, Loeb and Co., and was the leader of the pro-German movement before the Armistice; a movement which he was largely instrumental in bringing about.

Mr. Paul Warburg, a brother of Max and Felix, was born in Hamburg, and became a naturalized American citizen in New York in 1911. This fact did not prevent Wilhelm II from decorating him in 1912.

Mr. Paul Warburg, who is a partner in the firm of Kuhn, Loeb and Co., married Miss Loeb, a sister-in-law of Jacob Schiff, the principal member of the firm. Moreover, Paul Warburg was a friend of Mr. Mc Adoo, Mr. Wilson's brother-in-law, at that time Secretary of the United States Treasury. Prior to this, Mr. McAdoo had been aided by the firm of Kuhn, Loeb and Co. in his railway enterprises. As a result of these high connections, Mr. Paul Warburg, some time before America came into the war, was appointed by Mr. Wilson to the Federal Reserve Board. This Board, during the war, controlled the granting of loans by the banks. Mr. Paul Warburg profited by his position, so we are told, to inspire President Wilson's famous circular, issued in 1916, advising the American banks not to open credits to the Allies, covering their purchases in the United States.

In 1916 Mr. Paul Warburg was sent on a mission to Montevideo by the Washington Adminis-

tration, in company with Mr. Mc Adoo, Mr. Wilson's son-in-law.

But the pro-German sentiments of Mr. Paul Warburg were so pronounced and active that his appointment to the official commission of which he was a member was not renewed.

From that time on, Paul Warburg manoeuvred behind the scenes. Through the medium of Mr. Schiff and the latter's organizations formed to aid poor Jews in Poland and Russia, Paul Warburg, early in 1918, succeeded in getting in touch, by way of Holland, with his brother Max, of Hamburg, and in consolidating their activities, not only in laying hands on Russia by means of Bolshevism, but in bringing about the Armistice as well.

Mr. Walter Rathenau (assassinated in Berlin, June, 1922) was a Jew, head of the powerful *General Electric Co.* (*Allgemeine Elektrizitats Gesellschaft*), and a member of the Board of Directors of a great number of important industrial corporations, doing business the world over. In this way he had acquired an exhaustive knowledge of economic conditions, both in Germany and abroad.

A monarchist and imperialist at heart and a friend of Ludendorff, Mr. Rathenau belonged to the group of Pangerman Jews who surrounded the Kaiser : Albert Ballin, director of the Hamburg-America Line, and others.

In 1914, Walter Rathenau was not in favor of the war, but solely because he did not deem it opportune. He set forth his reasons for this in 1916 in the *Lokal Anzeiger*. « *We began the war too soon. As soon as we have obtained a German peace, we must begin at once to re-organize Germany on a broader and more solid basis than ever, for the next war. We should make a careful preliminary study of what our country lacks in the way of raw materials, accumulate large stocks of these and never use them until the day comes. We ought to organize an industrial mobilization as perfect as was our military mobilization before the war... Finally, when the new war does come, it ought not to start soon.* » (Quoted by *Le Matin*, Feb. 13, 1921.)

During the war, Walter Rathenau created the department of raw material for the army, and organized the use of the raw materials found in the invaded countries. He was utterly unscrupulous. Ferdinand Passelenq's work entitled : « *Les déportations à la lumière des documents allemands* » (Belgian Deportations in the Light of German Documents) (Paris, 1917), pp. 129-157, contains the most formal accusations against Walter Rathenau. (Cf. Gaston Raphaël, *Walther Rathenau*, p. 168.)

Moreover, in a lecture he delivered in Vienna, and published in *The New Gazette*, Vienna, Feb. 2, 1916, Rathenau made the following

avowal, which is clear enough : « It was necessary, in every possible way, to make sure of an increased reserve of raw materials, not only by purchases made in neutral countries, *but by seizing stocks found in enemy or occupied countries.* »

« *The difficulty experienced in observing the laws of war, in the matter of requisitions, was made to disappear.* » (Cf. *Le Temps*, April 17, 1919.)

Since the Armistice, Walter Rathenau considered that the essential condition of Germany's ultimate triumph consists in having a monopoly of raw materials. With this end in view, he was bringing all his resources to bear to strengthen Germany's grip on Russia, which is capable of becoming a gigantic reservoir of raw materials.

This inveterate monarchist continued to hoodwink the Allies by joining the Cabinet of Dr. Wirth, the good Republican (!), where he remained until he was shot by some fanatical Pangermans who did not understand the efficiency of his dissembling Pangerman tactics.

In 1914, Hugo Stinnes was already one of the magnates of « Big Business » in Germany. He was the Coal King of Westphalia. As he was a great friend and henchman of Wilhelm II, he was appointed adviser to the German Staff during the war. The world conflict enabled him

to realize immense profits. He took advantage of these, during the troubled period following the Armistice, by getting control of a host of German industrial enterprises. At the beginning of 1921, Hugo Stinnes' personal fortune was estimated at one billion, and the capital of the trust he had formed, at eight billions marks.

Realizing the power of the Press in influencing the masses, Hugo Stinnes bought sixty-five German newspapers, among them being the *Deutsche Allgemeine Zeitung*, one of the leading daily papers of Berlin.

In Austria, Stinnes purchased most of the important newspapers. These, by his orders, are conducting a systematic campaign in an effort to bring about the union of Austria and Germany. In Budapest, Stinnes has acquired three of the most influential dailies. Further than that, he has purchased press agencies which take advantage of the newspapers' financial embarrassment to impose inspired despatches, favorable to Stinnes' aims. Moreover, he has acquired large interests in the motion picture industry. He bought the largest publishing house in Zurich, and since that time exercises control over everything it publishes.

Stinnes' formidable financial strength, and further than that, the use he makes of it; his perfect knowledge of the economic conditions necessary in order to create Pangermany; the

fact that he realizes the tremendous influence his newspapers enable him to exert; his activity, his boldness, the extent of the corruption he has practiced, more or less, in nearly all the Allied countries: all this has enabled Hugo Stinnes to make himself the principal organizer of Germany's resistance to the Versailles Treaty and to the payment of the reparations due France.

Stinnes' activities against France, at the start, were entirely under cover. It is highly probable that Stinnes has done more than any other man to bring about the German combination with the financiers surrounding Mr. Lloyd George: a combination the principle of which seems to have been decided on when the Armistice was signed. (Cf. p. 136.)

Hugo Stinnes spent the year 1919 and the early part of 1920 in creating allies and accomplices for himself in England, America and France, by letting them acquire interests in certain of his enterprises, Later, he made his position public at the Spa Conference, July 10, 1920, when he made a violent attack on France. Since that time his virulent Pangermanism has manifested itself with ever-increasing intensity.

In February, 1921, Stinnes organized a reception at Bremen, to which he invited Marshal Hindenburg and General Ludendorff. The occasion was the launching of the merchant steamer

« *Hindenburg* ». Several weeks later Stinnes' shipyards launched the « *Admiral Tirpitz* », followed by the « *Boche* », a term which Stinnes wishes to change into a title to be proud of.

Hugo Stinnes is the man who, in close relationship with Ludendorff and the latter's intimate co-worker, Colonel Bauer, organized the *Orgesch*, an essentially monarchical association which is everywhere making preparations for the « Revenge ». With an audacity that is truly formidable, Stinnes is bringing about the economic grip of Germany on Central Europe and Russia.

M. Camille Castiglioni, a Trieste Jew, bought, after the Armistice, 200,000 shares in the *Alpine Montangesellschaft*, a company owning the principal iron ore properties in German Austria. He made this purchase for the account of the *Banca Commerciale* and the Italian F. I. A. T. Co. In March, 1921, Stinnes took over these 200,000 shares from the Italians.

In April, 1921, in Styria, Stinnes negotiated the purchase of the water-power which develops the electrical energy required by the city of Vienna and by the industrial consolidation of Wiener-Neustadt.

In June, 1921, Hugo Stinnes went to Carlsbad and held a conference with Camille Castiglioni and a prominent British financier. At the same time, Stinnes set about acquiring the following

Hungarian enterprises : Rima-Murany and Salgo-Tarjany, the Schlick, Nicholson and Hoerner machine factory, and the Ganz Danubius railway-car factory and shipbuilding plant.

In Czechoslovakia, in April, 1921, Stinnes' trust tried to buy part of the port of Bratislava. In June, 1921, Stinnes made successful preparations for getting his hands on Subcarpathian Russia. In July, 1921, Stinnes formed a group with Rothschild and Guttmann, for the purpose of buying iron-works in the Moravska Ostrova, and the factories at Vitkovice.

The danger was becoming so great that the *Narodni Listy* sounded the alarm, and the Social-Democratic Deputies' Club at Prague called the attention of the Czechoslovakian Government to Stinnes' underhand activities. *La Gazette de Prague*, a semi-official organ, stated : « *It is needless to say that such an organization presents grave danger to the economic development of the countries situated within its sphere of influence (i. e. of the Hugo Stinnes group). The economic organization of the small nations located in the vicinity of Germany would be weakened considerably if the aggressive plans of German capital were to be put into execution. Consequently, the nations directly threatened will pay very vigilant attention, from now on, to Stinnes' schme, and,*

should necessity arise, they will take suitable counter-measures for protecting themselves against his economic attack. » (June 8, 1921.)

In Roumania, Stinnes sent a swarm of emissaries who are systematically studying the economic situation of the country, resuming the plan of introducing German influence by means of local agents; a plan which had been carried to great lengths during the occupation of Roumania.

The Pangerman character of Stinnes' activities is beyond dispute. A Vienna newspaper (quoted by *Le Matin* on March 21, 1921), stated: « This whole *Montangesellschaft* business shows us how they are trying, in the great industrial centres of Germany, to bring about the economic union of Austria and Germany, whilst awaiting better things. *From verdant Styria, coming by way of Berlin and Dusseldorff, they have just driven the first stakes of the great military route of the future, the one that will start at the North Sea and end at the Adriatic.* »

In Russia, Stinnes has acquired even greater concessions. They are set forth in detail in Chapter VI, which is devoted to the particulars of Germany's grip on Russia.

In Italy, beginning in the early part of 1921, Hugo Stinnes bought shares in the principal steel and iron concerns. In Spain, in April, 1921,

Stinnes built a large paper-mill, so as to be able to control the newspapers and publishing houses.

In November, 1921, Hugo Stinnes went to London in order to discuss with the Lloyd George group the suppression of reparations and the seizure of Russia.

This activity on his part has become intolerable, even to many Germans. On April 7, 1921, the Berlin *Vorwärts* admitted : « With the increasing extension of the domain over which Mr. Stinnes reigns, he threatens to become a veritable State within a State, and not only the workmen of Germany, but the Government of the Republic as well, ought by all means to follow this evolution with the greatest attention. »

Le Journal d'Alsace-Lorraine, under date of May 3, 1921, offered the following judicious word of advice : « Hugo Stinnes is the man who is pulling the strings, and making the puppets dance on the stage at Berlin. He is the one who must be reached by the sanctions. »

The most complete and accurate appreciation of the end Stinnes has in view was made by an Italian newspaper, copied by the *Gazette de Cologne :* « Stinnes is an economic Napoleon. » *What Ludendorff failed to obtain by military measures — Pangerman domination of the world — Stinnes will succeed in obtaining by economic means.* » (Cf. *Le Matin*, October 7, 1921, and *Le Temps*, October 17, 1921.)

Nothing could be more exact : Hugo Stinnes is Pangermanism incarnate.

IV

The Pangerman leaders, at times, are divided by personal rivalry or differences of caste, such as divide men in every country. They are not always agreed among themselves on questions of policy. On certain points Rathenau was opposed to Hugo Stinnes. Rathenau believed that it is more clever and safer to make a pretence of wishing « to make reparation » to France for a certain time, in order to lull that country soundly to sleep. Hugo Stinnes, more fiery by nature, considers that it is useless to temporize. Like Helfferich, he believes that they can tell France « No » immediately. But even if certain differences of opinion can be shown to exist between the Pangerman leaders, they are, on the other hand, in complete accord on essential principles. This is due solely to their perfect knowledge of the general Pangerman plan, to accomplish which they all have worked zealously during the past twenty years.

If the Pangermans of Rathenau's type and those of the Stinnes group are not of the same opinion with respect of the tactics to be pursued towards France, they are in entire accord regarding the necessity of Germany's creating

Mitteleuropa, and getting a firm grip on Russia.

Consequently, the Pangerman leaders derive considerable strength from the fact that they are pursuing a concrete political plan, regarding which they are all agreed. Moreover, the Pangermans scheme possesses the immense advantage of having been constructed by methods of political science, and after painstaking research.

Each one of the Pangerman leaders is a specialist in his own line, trained for many years in looking at foreign affairs from a world-viewpoint. Experience has taught them that information is of immense service, and consequently they do not hesitate to spend large sums of money in order to have the necessary information in time, as they are well aware that otherwise it is impossible to conduct any enterprise efficiently. The fact that they are convinced of this truth has long led the Pangerman leaders to surround themselves with every kind of technical experts, and to collect all possible information of a sort that may be useful to them.

Beyond question the Pangerman leaders are formidable reactionaries, by reason of the program of subjugation they are endeavouring to carry out. But no one can deny the fact that they have worked hard to learn what they know, that they respect efficiency, and that they have sufficient character and energy to be supremely audacious.

To sum up, the intellectual secret of the Pangerman leaders' success against the Allied nations since the Armistice is due to the fact that they have a « political sciences » concept of conducting affairs in peace as well as in war, and consequently of the strategy of « political sciences » as applied to peace as well as to war.

In reality, their success is not at all surprising, for the Pangerman leaders use a weapon that is silent, hard to discover, extraordinarily powerful, and — to put the matter bluntly — one whose high efficiency and necessity have not, as yet, been realized by the Allied nations.

The subtle forces derived from the various political sciences, when applied practically, permit of numerous combinations of tremendous power. No matter how complex these combinations may be, they can be summed up in certain master-formulas.

Despite the Treaty of Versailles, and although the Allies scarcely seem to suspect it, the formula : « Peace without annexations or indemnities » still continues to formthe basis of the Pangerman leaders' activities. (Cf. p. 96.)

« Pangermany by means of the International » ; « Pangermany by means Magyar-Bulgaro-Turco-Bolshevist action » directed against the new countries of Central Europe : Poland, Roumania, Czechoslovakia, Jugoslavia and Greece ; nations which form the chief obstacle to

the accomplishment of the Pangerman schemes. « Pangermany as a result of the economic differences created by the war », a formula based on the bankruptcy of France, deprived of reparations and crushed by heavier taxes than Germany pays. All these are simple formulas according to which those who are ruling Germany from behind the scenes govern their action. Each of these simple formulas has a corresponding series of manœuvres; highly complex, but easy to execute because derived from a simple master-formula, and consequently are mutually coherent. This master-formula is sound because it, in turn, is the result of minute observations and considerations derived from the political sciences.

A comparison will make it easier to understand the extraordinary efficiency of « political sciences » forces, and the absolute necessity of knowing how to combat them.

The war of political sciences bears the same relation to military warfare that Japanese jiu-jitsu bears to other forms of wrestling. Jiu-jitsu, based on a special knowledge of human anatomy, enables a very weak man, by means of a slight effort, by scientifically applying pressure to certain muscles at well-chosen spots, or by holding certain joints motionless, under clearly-determined conditions, to master a much stronger man, *even though the latter is familiar*

with every other kind of wrestling, but on condition that the latter does not know jiu-jitsu.

For instance, the manœuvre in November, 1920, which restored Constantine to power in Athens (Cf. p. 191), and the one directed against the Polish mark in December, 1920 and January, 1921, (Cf. Chap. VIII) cost the Pangerman leaders and Germany a comparatively trifling effort, and an expense that is infinitesimal when compared with the important results obtained. The German manœuvre in favor of Constantine, and the one directed against the Polish mark, constitute two highly characteristic and exceedingly well-executed instances of political jiu-jitsu. *But both of these tricks might very well have failed.* In fact, the man who understands jiu-jitsu can be vanquished if his antagonist knows jiu-jitsu as well as he does; for every move in jiu-jitsu can be blocked.

Consequently, we are brought to the conclusion that the Pangerman leaders' superiority in political science gives them the monopoly of the use of a political jit-jitsu, enabling them, with comparatively little effort, to change the situation to their advantage, step by step.

It is impossible for the people of the Allied nations to leave the crushing advantage of this monopoly in the hands of the Pangerman leaders without risking irretrievable defeat.

In the same way that jiu-jitsu has its counters,

the war of political science has its methods of parrying. The first problem to solve, if the Allied nations wish to rehabilitate the situation, consists in their learning how to cope with the Pangerman leaders, from now on, in the field of the practical application of the political sciences.

V

At the outset, it will be easy for the Pangerman leaders to trick those of the Allies, for the latter, as regards a foreign technical organization, have nothing to compare with the Pangerman one.

Foreign politics, which are an art and a science at the same time, are manifestly indispensable to a country's security and the defense of its vital interests. Nevertheless, anomalous as the fact may seem, foreign politics, up to the present time, never have been the object of rational study in the Allied countries. It is true that there are schools such as « l'École libre des Sciences politiques » (Free School of Political Sciences) in Paris, where young men are taught the theoretical elements necessary in the conduct of foreign politics. But nowhere in the Allied countries does there exist an institution where live foreign politics can be studied as a science and an art. The people of the Allied countries have produced admirable workers in every science, in paint-

ing, sculpture, etc. They possess well-written popular manuals on machinery, electricity, etc., but there is not a single French book in existence explaining modern foreign politics, giving a precise notion of the sciences required therein, and explaining the methods of conducting research work abroad, which make it possible to arrive at an exact understanding of the facts with almost absolute certainty. Inasmuch as no modern theory on the subject exists in the Allied countries, it follows that foreign politics are still managed in the old haphazard way, by crude and empiric methods.

In every civilized country it has long been a recognized fact that a man cannot treat the sick unless he has first obtained a doctor's diploma, guaranteeing the public that he has acquired sufficient professional knowledge to enable him to give his patient proper treatment.

But it is a curious fact, and one constituting a monumental piece of stupendous folly, that in this so-called age of progress, the management of foreign politics in the Allied countries is still left in the hands of men who are utterly unqualified. The geographic, ethnographic and economic problems that have come up since the Armistice are supposed to be solved by men who are capable of making excellent speeches, no doubt, but who never have studied abroad, and who are ignorant of geography, ethnography and

political economy, and who, in fact, know nothing of foreign politics.

At the beginning of the Peace Conference, when Mr. Wilson was at the height of his power, if anyone had suggested to him that he should operate on Mr. Lloyd George for appendicitis, both of them would have refused, the former to act the role of surgeon, the latter that of patient. Mr. Wilson probably would have said : « I have never performed a surgical operation. I am not even familiar with anatomy. Were I to operate, it would certainly prove fatal to my worthy friend Mr. Lloyd George. »

As for the last-named gentleman, the mere suggestion of such a thing would have made him leap like a Scotch trout and exclaim : « You're joking. Mr. Wilson doesn't know anything about surgery, and I haven't the slightest intention of going to my long rest, as I most certainly should, through the President's lack of surgical skill and despite his excellent intentions. I, David Lloyd George, intend, for a number of years to come, to be able to go and spend the week-ends at Lympne, the country-house of my faithful secretary, Sir Philip Sassoon. »

Everybody would have approved the decision of Messrs. Wilson and Lloyd George, a matter of elementary common sense, after all, in refusing to think of an operation under conditions which would certainly prove fatal. But it is an

astonishing fact that the Entente politicians do not hesitate for a moment to operate on the body of poor Europe ; a body they never have studied. They are not even very familiar with its geography, which means that they are ignorant of the external form of the body on which they have to operate. Is it to be expected that they successfully perform the most difficult of internal surgical operations on a body, when they are not even acquainted with its external outlines! Under such conditions, is it possible to have a reasonable hope of success ?

For instance, let us consider the three great protagonists of the Peace, on the Allied side. They all have a characteristic in common. As none of them has received any technical training in foreign affairs, all of them stoutly refuse to acquire any.

Mr. Robert Lansing, who was Mr. Wilson's Secretary of State during the Peace Conference, tells us : « Mr. Wilson made himself the depositary of all opinions and considerations, and no one else had any access to them. » Mr. Lloyd George has steadfastly refused to follow the advice of real experts. In the Danzig and Upper Silesia questions, he went counter to the advice of his experts, because it did not coincide with the interest of his political group. M. Clemenceau, likewise, never has evinced any desire to acception suggestions. It was absolutely impos-

sible to make him understand the truth regarding the American state of mind when Mr. Wilson arrived in France (see p. 125). It was impossible even to get M. Clemenceau to accept any suggestion regarding the proper policy to follow in the Rhineland. Speaking on this subject, an officer of General Gérard's staff said to M. André Gille, of *L'Eclair :*

« The military authorities in the Rhineland have been left entirely to their own resources; they have been entirely without guidance from the Government; had they received such guidance, it would have been of the utmost value to them. M. Clemenceau is an ignorant man; he is absolutely one of the most ignorant men in the world, and the worst of it all is that he does not wish to learn anything, and obstinately refuses to surround himself with enlightened advisers. » (Cf. *L'Eclair*, September 28, 1921.)

Who, therefore, can gainsay the fact? The governing powers in the Allied countries have been the incorruptible Vestals at the shrine of Incompetence. Although all of them were lacking in the technical knowledge necessary for accomplishing their mission successfully, the curious part of it is that they all stoutly and persistently refused to avail themselves of the monetary resources that would have enabled them to offset, to a very considerable degree,

their ignorance of the problems they had to solve.

There were, as a matter of fact, in the Entente countries, three or four persons in private life who were thoroughly acquainted with all of the great questions that came up. These men, in the most disinterested way, endeavoured to place their special knowledge at the disposal of the heads of their respective Governments. However, in spite of their unremitting efforts, not one of them was successful in the attempt, either during the war or after the Armistice. In France, Professor Louis Léger, of the Collège de France, Professor Ernest Denis of the Sorbonne and M. Auguste Gauvain of the *Journal des Débats* had become thoroughly acquainted, through their travels, with the problem of Central Europe, the problem that dominates all the others. However, these men never were able to get the ear of the men in power and aid them.

In England, Mr. Wickham Steed, Mr. Seton-Watson and Sir Arthur Evans probably were the only men who thoroughly understood the Austro-Hungarian question. Mr. Lloyd George took very special pains to call on none of these gentlemen, and he even went so far, as a general thing, as to go counter to the disinterested advice they gave him, in the country's interests, through the newspapers.

The governing powers in Germany, ultra-

modern law-breakers, have at their command weapons of infinite subtlety and power, taken from the arsenal of the practical application of political sciences. The leaders in the Allied countries have not progressed beyond the stage of rudimentary weapons.

This is the case because it is a curious fact, anomalous but nevertheless certain, that foreign politics in the Allied countries constitute a field that is almost wholly unknown.

This astonishing fact explains why the latter, despite their intelligence, are, as regards what they ought to know about foreign affairs, in practically the same situation as were the Romans, who were extremely intelligent, and nevertheless derived no advantage from electricity, although that element existed in their time.

In like manner, the Pangerman leaders, taking as a basis the results of their exhaustive research-work, utilize new « political sciences » methods in foreign politics, These methods enable them to hoodwink the people of the Allied countries to an incredible extent.

The latter, unaware of the existence of these new methods, are outwitted all the more easily from the fact that they are inclined to believe that men are the creatures of circumstances, that the only course to pursue is to submit to circumstances, and that in the long run « everything comes out all right ».

The Pangerman leaders start from a point of view diametrically opposite; namely, that a persistent application of the will enables one to control circumstances to such an extent as to bring about the success of astonishingly bold plans, especially when one's opponents are inert as a result of their ignorance. The fact that these men are convinced of the potency of the gospel of action explains why the Pangerman plans admit of such a large element of imagination that they seem fantastic, and consequently improbable, in the Entente countries. The fact that the people of the Allied countries failed to realize the extraordinary audacity of Germany's foreign policy prevented the people of France and England from believing, *while it was yet time*, in the reality of the Pangerman scheme of 1895, a scheme which was essentially the cause of the war, which served as the guiding principle of the German General Staff in its political management of the war (See p. 90), and, which is still the actuating principle of the German manœuvres that have developed since the armistice.

It is a fact that this failure to comprehend the Pangerman ideas continues to exist among the people of the Allied countries. Moreover, it prevents them from grasping this truth : that the guiding principles of the Pangermans to-day are the result of a formidable imaginative effort. As

I hope to show by an analysis of the facts and a demonstration of their logical connexion, the Pangerman leaders, since the Armistice, as rapidly as they have found the necessary accomplices in the Entente countries, finally have established a veritable scenario of the metamorphosis of Germany's defeat into a victory. This scenario of the mystification of the people of the Allied countries, as it has been put into shape and is developing at the present time, constitutes, in the variety and novelty of its means of accomplishment, a more daring, extraordinary and apparently more inadmissible conception than the scenario of the most extravagant motion picture romance. Once more we are about to realize that « *the truth, at times, can bear the appearance of improbability* ».

CHAPTER II

The war of political sciences applied to the accomplishment of the pangerman plan before and during the world-conflict.

I. **The Pangerman plan of 1895 is epitomized in the Hamburg-to-Bagdad scheme.** It was based on the preservation of Austria-Hungary.

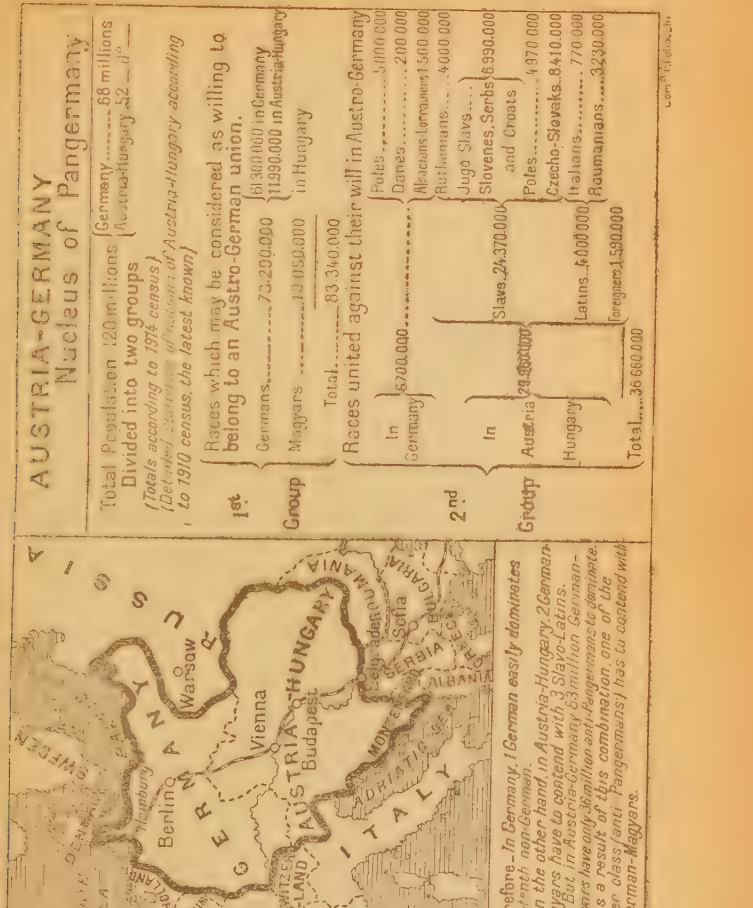
II. **The essential object of the war was the Hamburg-to-Bagdad scheme.** The war against Russia and France was simply a consequence of the attack on Serbia.

III. **During the war :** the capital formula : « Peace without annexations or indemnities », the object of which was to permit Germany, after losing the war from a military stand-point, to win it in the field of « political sciences », by playing against each other the essential points of difference created by the war.

I

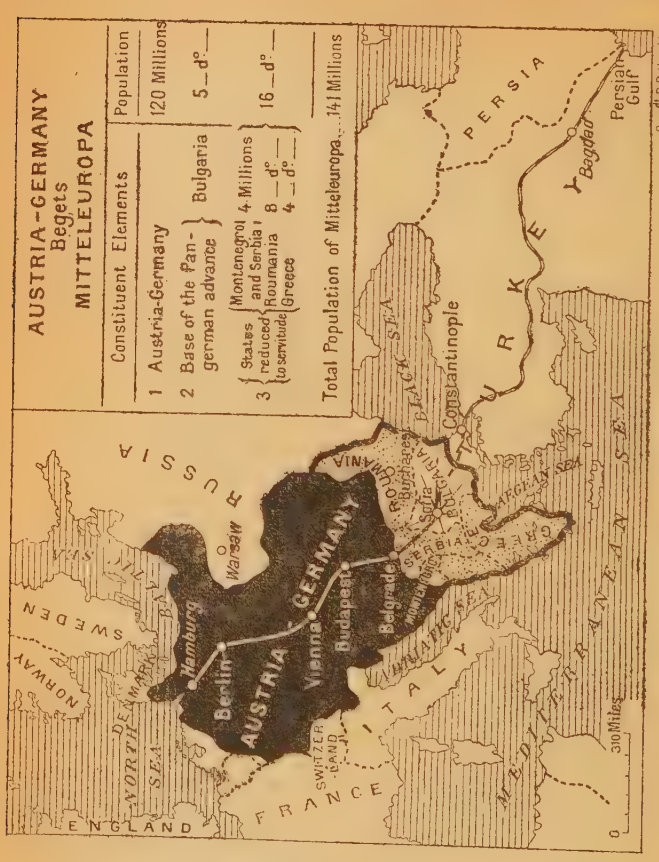
In the thought of those who created the Pangerman plan, a war that would inflame the whole of Europe was not absolutely indispensable to the accomplishment of that plan. In fact, the scheme could have been brought about by the pacifist manœuvres executed in France and Russia, especially since 1905, for the purpose of gradually sapping the strength of those two

great nations in the midst of peace. (On the sub-



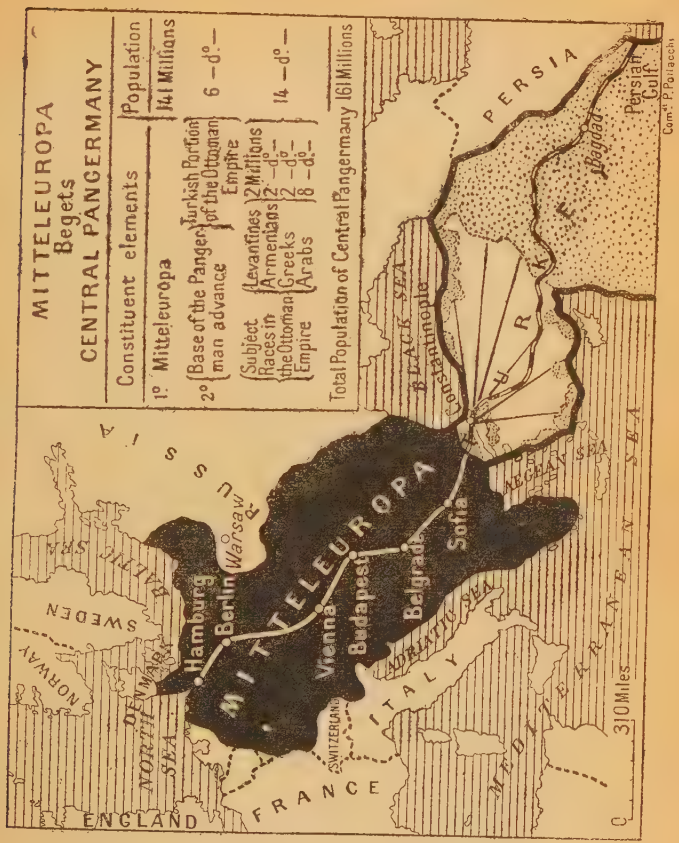
ject of pacifist propaganda in France, see my book : « *The French Crisis in 1912.* »)

If no upheaval had occurred in Central Europe, it is probable that Russia and France would have



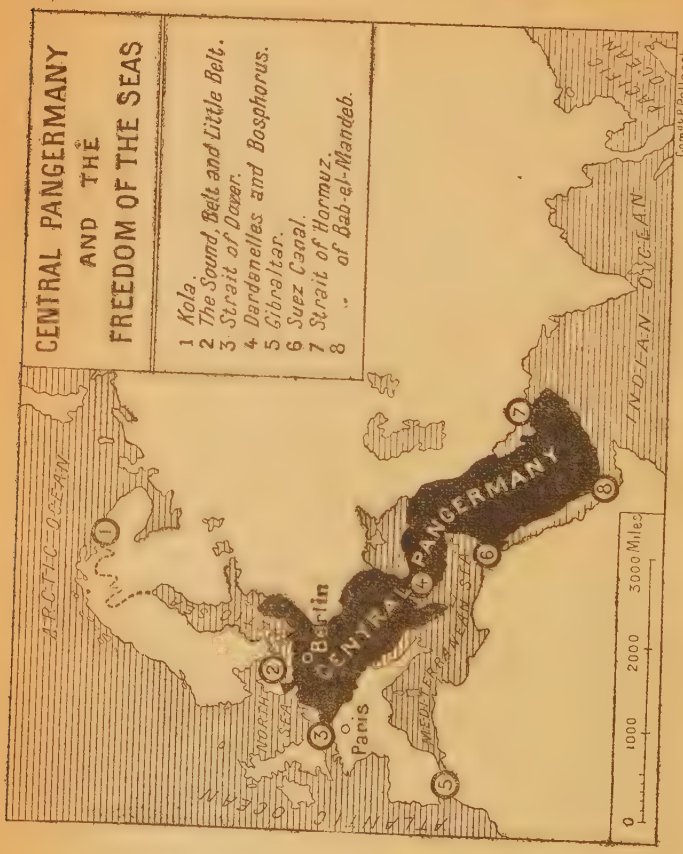
allowed their strength to have been sapped by the prolonged activities of the German agents. In that case Austria-Hungary would have remained intact and would have been united to Germany,

and the Pangerman plan of 1895 would ahve been carried out in the midst of peace.



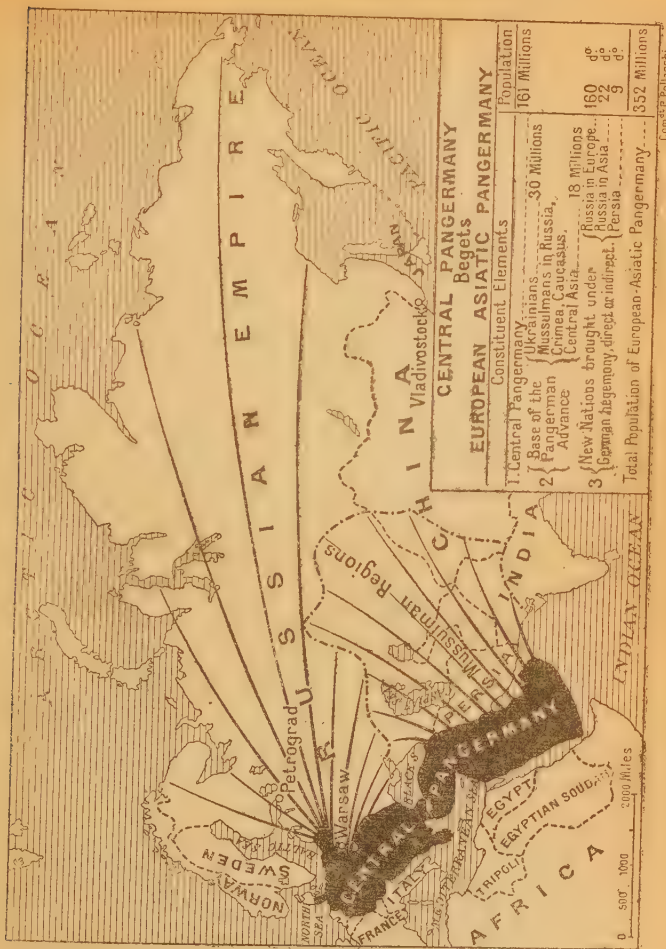
This plan of 1895 is set forth in an anonymous pamphlet which was propagated by the *Alldeutscher Verband* (Pangerman Union), and which appeared at that time in Berlin under the title

of : « *Greater Germany and Central Europe in 1950* ». In 1901, when I quoted lengthy extracts

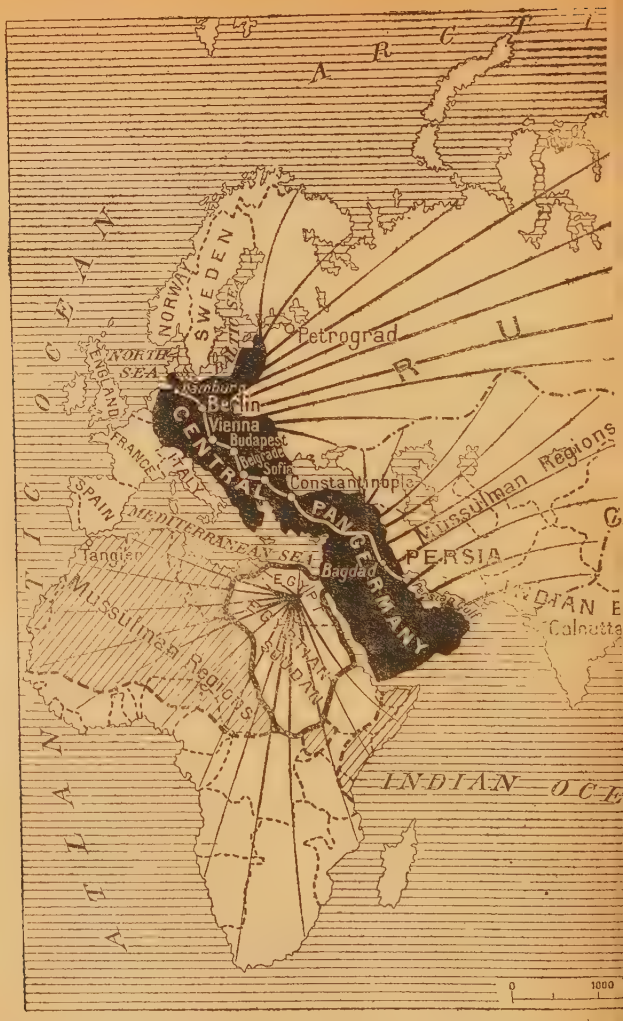


from that pamphlet in my book : « *Europe and the Austrian Question at the Dawn of the Twentieth Century* », many people criticized me unfavorably for having attached so much impor-

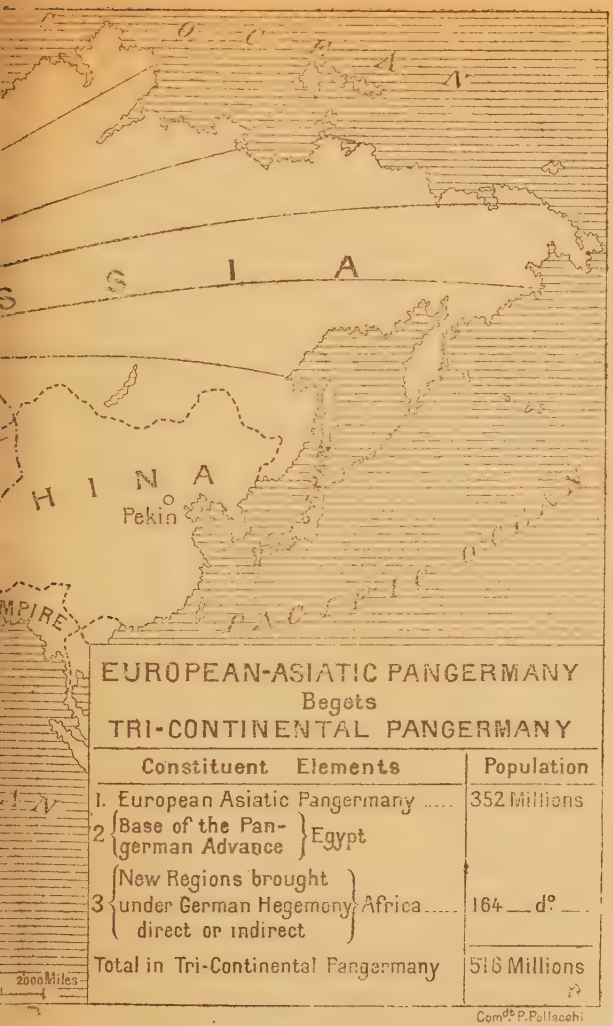
tance to a scheme which they were pleased to



consider as the offspring of dreamers' fancies. Now, however, the actual outcome has spoken



in corroboration. The map reproduced on page 90 proves that the plan of 1895 inspired the



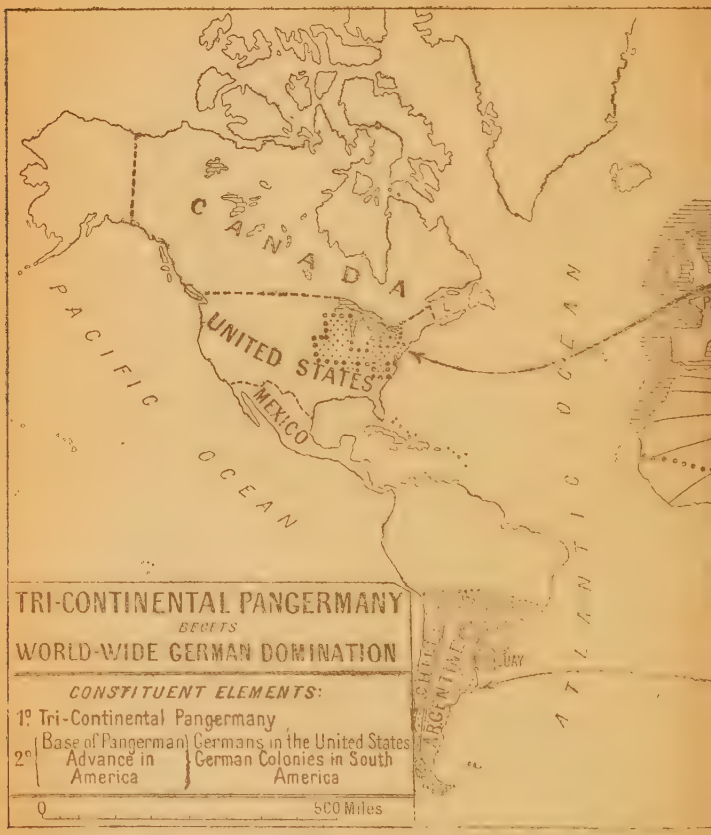
EUROPEAN-ASIATIC PANGERMANY
Begets
TRI-CONTINENTAL PANGERMANY

Constituent Elements		Population
1. European Asiatic Pangermany		352 Millions
2 Base of the Pan-german Advance	Egypt	
3 New Regions brought under German Hegemony direct or indirect	Africa	164 — d° —
Total in Tri-Continental Pangermany		516 Millions

Com.dt P. Pollacchi

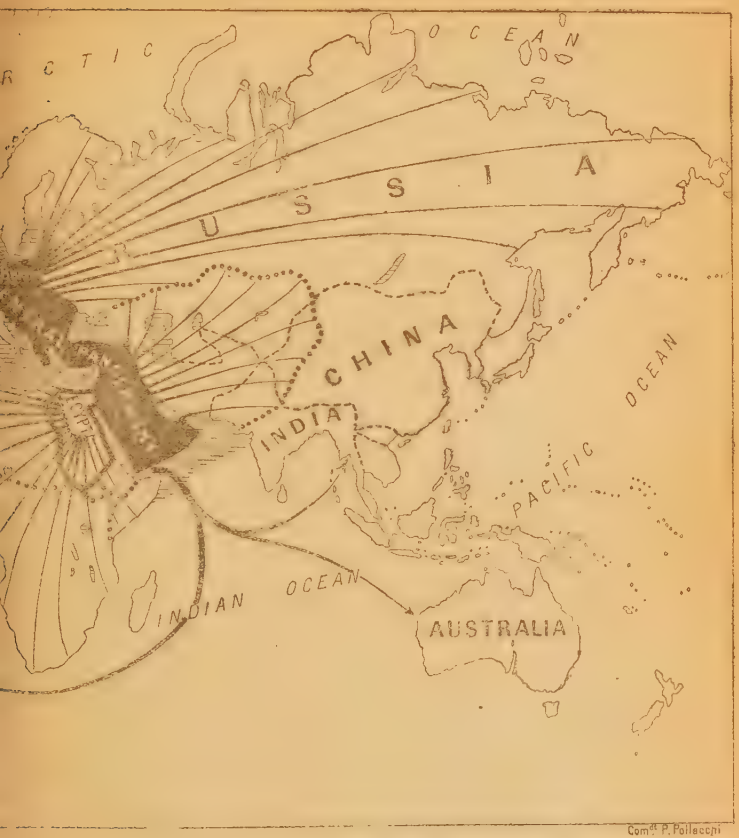
German General Staff in its general political management of the war.

When one makes a reasoned study of the origin of the war, and understands the consequences



of the Treaty of Bukharest, made August 10, 1913, as well as the true significance of the attack on Serbia, one is brought to the conclusion that the ultimate and underlying cause of the war

was the desire on the part of the Germany of Wilhelm II to save Austria-Hungary, whose



form, in 1914, was the one *par excellence* needed for the accomplishment of the Pangerman aims. (On this subject, see my book : « *The Essential Cause of the War.* »)

Another proof that such was the case is furnished by the vital admission made by the review « *Deutsche Politik* » in its issue of November 23, 1917, when it acknowledged the fact that « *The transformation of Austria-Hungary into a State based on nationalities, in couformity to the demand of the Slavs' would be tantamount to Germany's defeat*». (Quoted by *The New Europe*, January 10, 1918.)

The seven maps which precede, with their explanatory legends, will enable the reader to understand still more clearly, first : that the whole Pangerman plan undoubtedly was based on the maintenance of Austria-Hungary as that country existed in 1914 ; and second, the strength and logic of the mechanical development of that conception.

So true is it that the Pangerman plan of 1895 forms, as it were, the Ariadne's thread enabling one to wend his way unhesitatingly through the labyrinth of Germany's world-politics, that by guiding oneself by means of its data, one is almost certain not to make a mistake. I had these seven maps made in the early part of 1918. Since that time I have not had them retouched. Now it so happens that despite the Armistice and the Treaty of Versailles, they are still exactly what is required in order to explain the present situation and the great Pangerman

manœuvres, not only in Europe, but in Asia and America as well.

For a long time past, the promoters of Pangermanism have considered, and rightly so, that the necessary points of support for German world-domination are: first, to have Germano-Magyar hegemony assured in Hungary by the Hapsburgs; second, to have the Bulgars pro-German; third, to have the Young Turks pro-Prussian; fourth, to have Panislam managed from Berlin; and fifth, to have the Russian people reduced to a state of servitude by German emissaries. Consequently these maps readily enable one to grasp the fact that Austria-Hungary, the Balkans, Turkey, then Central Pangermany, then Russia, then Egypt, and then tri-continental Pangermany, constitute, in the whole Pangerman scheme, the successive bases of expansion of German domination.

II

« Germany is fighting for the Berlin-to-Bagdad route », proclaimed Count Karoly in the Hungarian Diet on December 12, 1916. (Cf. *Le Journal de Genève*, Dec. 30, 1916.)

The map on page 90 proves this assertion. This map is an exact reproduction, with gray shadings replacing the reds, of the map of the Pangerman plan, published in Berlin in 1895;

a map which I reproduced for the first time in 1901 in my book : « *Europe and the Austrian Question at the Dawn of the Twentieth Century*. » Consequently, there is no question of its being a document forged for the exigencies of the case. This plan of 1895 is based on the creation of Mitteleuropa, admitting of :

1st. The establishment of a German confederation in Central Europe, taking in Germany, Austria-Hungary, Holland, the Flemish portion of Belgium and the German part of Switzerland.

2nd. The subordination of satellite States (Poland, Roumania, Jugoslavia, Ukrainia, Lithuania, Lettonia, Esthonia, Finland) to this confederation.

An irrefutable proof that the desire of carrying out this plan really was the fundamental cause of the war started by Germany, is furnished by the fact that the political conduct of the war was in exact conformity to this plan of 1895. This is proved by the following geographical demonstration.

At the end of 1917, shortly before the Treaty of Brest-Litovsk, the German military fronts which I have had reproduced on our map of 1895, coincide almost exactly with all the essential boundaries foreseen twenty-two years before, despite the fact that Germany could

have advanced much further Eastward without encountering any resistance.

This quasi-superposition, made twenty-two years afterwards, which is easily proved by the aid of the indications furnished in the legend of our map, cannot be the result of chance. It is nothing more nor less than the result of a stubborn and long-thought-out determination on the part of the Germans. I have already set forth this fact in an article in *L'Information,* January 14, 1918, but this statement, highly instructive though it was, did not attract the attention of the general public in the Allied countries to the extent that it should, owing to the ephemeral character of any article appearing in a daily newspaper.

The diagram (cf. p. 92) epitomizing all the stages of the territorial extension of the power of the German General Staff in the conquered countries and the States of Germany's Allies — a diagram in which the entire history of the war is condensed — rounds out this demonstration. This diagram : « The Stages of the Materialization, and later, of the Breaking-up of Central Pangermany », was drawn up in the following manner.

The area of the territories subject to the rule of Berlin was calculated, as accurately as possible, for each great phase of the war, using the best large-scale maps. The popu-

lations have been calculated according to the

figures of the latest-known pre-war censuses

of the various regions under consideration. The results of the calculations made on this

1 Stage
3 Stages
2 Breaking-up Stages
1916
1917
1918
Barely affected as yet either with Bulgaria and Turkey only at the end of 1915, Germany devoted the first 8 months of 1916 practically to arming and organizing these two countries as a military body.
In Roumania
September 1916
Area: 104.094 Sq.Kil
Population 5 621 076
Or, for the year 1916
104.094
5.621.000
In Russia
Aug. 1917
Area: 1.864.Sq.Kil.
Population: 77.104
In Russia
November 1917
Area: 9.858 Sq.Kil.
Population: 246 428
In Italy
November-December 1917
Area: 12.220 Sq.Kil.
Population: 1.300.858
Or, a total for the year 1917
23.144
1.626.000
Grand Total up to the end of 1917
2.773.904
180.386.000
Beginning of the internal unrest among the Slavs in Austria.
April 1918
Breaking of the Macedonian front
Breaking of the Western front
September 15. 1918
On October 3, 1918, Marshal Hindenburg wrote to the Imperial Chancellor:
"As a result of the breaking of the Macedonian front and the consequent lessening of reserves for the Western front, etc. etc. the situation is daily becoming more critical, etc.....
Under these circumstances it is advisable to cease fighting, etc. etc...."
Comte P. Pollacchi

basis have been shown in the diagram, such as they have been worked out; but naturally, as

regards population in particular, these results can only be approximate. However, in order to have an adequate idea of the truth, round numbers are sufficient, and we can consider that at the time of its greatest expansion, Central Pangermany numbered about 180,000,000 inhabitants.

This tableau permits of two highly important deductions (see p. 92).

First deduction. The fact that it was necessary to face France and Russia on two fronts in no wise prevented the German General Staff from carrying out the plan of creating Central Pangermany. On the contrary, it devoted its efforts to that end in systematic fashion, explainable by two reasons : first, this domination of Central Europe constituted Germany's principal object in the war ; and second, Austria-Hungary, the Balkans and Turkey formed reservoirs of every sort of supplies, enabling Germany to hold out so long on the Western front, where the effort of the great Allied armies was concentrated.

Second deduction. As soon as Germany lost control of Central Europe through Austria-Hungary, which began, dating from April, 1918, as the result of the revolutionary agitation of the Slavs and Latins who were subjects of the Hapsburgs, the German General Staff realized the impossibility of continuing the strug-

gle in the West. Marshal Hindenburg's admission is formal. The first argument that he used, October 3, 1918, in order to ask for a cessation of hostilities, is the giving-way of the front in Macedonia, and the consequent weakening of the Western front.

These deductions enable one to convince oneself of this fact, pregnant with practical inferences if understood : namely, that Germany started the war essentially to preserve Austria-Hungary, which was necessary to the Hamburg-to-Bagdad plan. Her war with Russia and France was only the result of the attack on Serbia. If this truth had been recognized, the Allies, as early as the beginning of 1915, would have undertaken, and with the necessary resources, the Salonica-Belgrade-Budapest-Vienna-Prague-Berlin expedition, which, so far as it is humanly possible to judge today, would have brought them total and decisive victory by the end of 1915.

III

Berlin, at different times, had two radically different conceptions of victory. In August, 1914, the German leaders believed in a « short and joyous war », in a total and triumphant military victory over France. This victory, in its results, would have enabled her to attain all the Pan-

german objectives, in Asia as well as Europe. But, after France won the victory of the Marne, Berlin admitted privately that it might prove impossible to obtain a victory of a purely military character. In consequence, the German leaders began to make preparations for gaining victory under a new and subtle form. Victory, in this case, was to come, as time went on, as a result of playing the game of the differences which the losses resulting from the war would create between France and Germany, for the latter's benefit.

Starting off with this idea, Germany, after the Marne, set her wits to work to wage the war systematically in such fashion as to subject France to greater losses in life, treasure and property destroyed than those suffered by Germany.

In order to carry this plan into effect, in the event of their gaining no lucky military operation, which would compel them to be satisfied with a deferred victory, the German leaders invented the formula : « Peace without annexations or indemnities. » This formula, which is derived from the political sciences, and is of a diabolical perversity, started to work in 1915, and has continued to play an important role ever since, even though the people of the Allied countries do not appear to be aware of the fact.

Let us first consider by what subtle means this formula was brought before universal public

opinion, and the various aspects it assumed before crystallizing into its ultimate form.

Beginning at the close of 1915, German propaganda launched the formula of the « Drawn Game », also called the « Peace of Conciliation ». The reason for this move was exceedingly plain. Germany had not been able to break through the French front, but nevertheless she had already inflicted on France much greater loss and damage than Germany herself had suffered. Moreover, she was mistress of Central Europe, which was Berlin's great essential objective. It was on this account that *La Gazette de Francfort*, as early as December, 1915, unhesitatingly admitted : « Our aims in the war are attained. »

During the course of 1915 and 1916, Germany undertook the most subtle and complex manœuvres in order to bring about peace negotiations : such as attempts to make a separate peace with Russia, efforts to obtain intervention by the Pope, applications made by the pseudo-Socialists of the Kaiser to their Socialist brethren in the belligerent countries, and inciting the pacifists in all the neutral countries.

On March 2/15, 1917, the Soviet of Petrograd, made up, for the greater part, of nobodies, without any regular mandate, but whose most active members were Ludendorff's agents, voted the stupefying *declaration of the rights*

of soldiers. The anarchical character of this declaration had been so well thought out that in a few months' time it broke up the Russian army, thus leaving the former Empire of the Czars at the mercy of Germany. At about the same time, the Petrograd Soviet first launched the formula : « Peace without annexations or indemnities. » On June 12, 1917, the Kaiser's Socialists, in convention at Stockholm, subscribed to the so-called Russian formula, which, in reality, had been suggested by German propaganda. On August 11, 1917, the Socialist Party of France, in its « reply to the questionnaire » formulated by the Dutch-Scandinavian delegation, in view of the Stockholm Conference, declared : « Naturally, we adopt the principle of peace advanced by the Russian Socialists : « No annexations » (p. 40); the Socialist party of France also adopts the formula : « no war-contributions » (p. 42.)

Erzberger, the German Deputy, had the Stockholm formula approved by the Reichstag on July 19, 1917. On October 9, 1917, Dr. Michaelis, the German Chancellor, gave positive adherence to the Reichstag's formula, and his successor, Herr von Hertling, likewise proclaimed that he was in favor of it. Eventually, the German agents in the Petrograd Soviet, in the latter part of October, 1917, defined the scope of the same formula, explaining : « All the bel-

ligerents ought to renounce war-contributions or indemnities of any kind whatsoever. » (Cf. *Le Temps*, October 28, 1917.) This text immediately received the highly significant approval of the *Fremdenblatt*, the subsidized organ of the Vienna Minister of Foreign Affairs, who was a henchman of Berlin.

This logical chain of dates and facts proves that the formula : « No annexations, no indemnities », really was the basis of all the German manœuvres.

In 1918, the negotiations of Count Czernin were the sequel to the activities of Prince Sixtus of Bourbon in France, endeavouring to obtain a separate peace with Austria. The secret negotiations carried on in Switzerland by Mensdorff and General Smuts (who was sent by Mr. Lloyd George), likewise had as their objective the preliminaries towards a cessation of hostilities. The differences in losses resulting from the war, in all cases, were to Germany's advantage.

But, in view of the progressive breaking-up of Austria-Hungary, from April to October, 1918, which resulted from the combined action of the Slavs and Latins, and in view, also, of the Allied victory in Macedonia (Cf. map, p. 92), Berlin was unable to obtain the Armistice of November 11, 1918, without agreeing to very considerable financial and territorial sacrifices. All the German acumen was then brought

to bear in an effort to have specious clauses and delays inserted in the Treaty, which would enable them to limit the money-sacrifice, and later on to recover the territory lost.

As this manœuvre was successful, thanks to the action of the accomplices she found in the Entente countries (see Chap. III), Germany is now returning, by devious ways, to the formula : « Peace without annexations or indemnities. » The object of the manœuvre started (September 1921) by Prince Max of Baden, Wilhelm Second's last Chancellor, is to gain standing for the formula : « Germany is not the only one responsible for the war. » Were we to anticipate what this proposition will finally evolve into, it will logically be : « Since Germany agreed to pay an indemnity at a time when she admitted that she alone was responsible, the result will be that when, by means of propaganda, the idea of divided responsibility is admitted, Germany will not appear any more guilty than any of the Entente countries. Consequently, payment of the indemnity shall be *ipso facto* suspended. »

The propaganda launched in November, 1921, and tenaciously pursued ever since, in Great Britain and the United States, on the basis of a general abandonment of war-debts (the United States and Great Britain to cancel France's debt to them, on condition that France cancel Ger-

many's debt to her), marks a persistent effort to apply the formula : « No indemnities. » *A reciprocal cancellation of debts would mean, in the long run, a figure expressing the difference in the real losses caused by the war. This figure would be altogether to Germany's advantage, on account of the tremendous injury her systematic devastation has caused France.*

Consequently, this method of arranging a mutual cancellation of debts would result in a triumph for Germany. This point cannot be insisted upon too strongly, so that public opinion in the Allied countries may not let itself be taken in by this new German manœuvre, which is nothing more nor less than a development of the formula « No indemnities ») (Note. On page 189 will be found an account of the « Plebiscite Trick », the object of which is to restore to Germany and her Allies the territory they have ceded for the time being, inasmuch as the « plebiscite trick » is supposed to insure the application of the other part of the formula : « No annexations. »)

The differences created by the war in favor of Germany ought, therefore, to come into play as a result of the formula : « No indemnities », *if that formula were finally enforced.* Consequently, it behoves us to become acquainted with these differences and to have a proper appreciation thereof, particularly as regards France.

As a matter of fact, if, hypothetically, these differences brought about the bankruptcy of France and her political subjection to Germany, it is plain that nothing would stand in the way of the last-named country establishing her domination over the rest of Europe, inasmuch as the freedom of France is the essential condition of that of all the other countries in Europe.

The essential differences created between Germany and France by the war concern either the damage done to the wealth of the countries respectively, or to the number of their inhabitants.

The Wealth of the Countries.

Three facts dominate this question.

First fact. Despite the restitution that has been made, Germany has retained a profit from its war-booty.

War material, seized in Belgium, France, Serbia, Roumania, and Russia, and utilized for the most part by Germany and her Allies, especially railway-cars, locomotives and miles of railway-track, representing billions; *Provisions:* on every hand the Germans stole horses, cattle, live-stock, animals, miscellaneous foodstuffs, grain, potatoes, sugar, alcohol, crops; *Raw materials and products:* coal, iron ore, copper, petroleum, etc.; metals, bronze, zinc,

lead, brass, wool, cotton, cloth; *Industrial material, furniture, art objects; war-levies made in the occupied regions; money, jewels and personal property, stolen right and left.*

To be sure, the peace treaties have compelled Germany to make restitution, but such as have thus far been made certainly have fallen far below the total of what was stolen. Consequently, a portion of the value of this war-booty still remains in Germany. Furthermore, a portion of this war-booty: war-material, provisions and contributions, undeniably has resulted in a very considerable diminution of Germany's war-costs.

SECOND FACT. THE WAR COST GERMANY INFINITELY LESS THAN THE ALLIES, ESPECIALLY FRANCE.

Germany was put to none of the enormous general expense and tremendous waste that were a necessary consequence of the gigantic improvization of the Entente countries. The Berlin Government had at its disposal the labor — practically unpaid — of three million prisoners and forty-two million subjects of the invaded Allied countries. Thanks to the mines of every kind which they seized, munitions and war-material cost the Germans very much less than the Allies. By reason of the geographical proximity of the Central Powers to one another, a shell shipped from the Krupp factory to

one of the military fronts cost much less, from a transportation standpoint, than a shell shipped from America to France, or from France to Russia. Sending a German soldier to any one of the sectors commanded by Berlin was evidently very much less expensive than sending a soldier from Australia or America to France. All these causes had a necessary and fundamental effect on the cost of the war.

Consequently, it is beyond question that, *whatever may be the official figures of war-expense by Berlin*, the war was less burdensome to Germany than to the Allies. Moreover, Germany, which was blockaded, but which, *at no expense*, drew on the immense resources of the occupied enemy territory, was able to carry on the war without any outside loans, whereas France was obliged to contract an immense outside debt.

THIRD FACT. FRANCE IS DEVASTATED, GERMANY IS INTACT.

In fine, Germany was invaded only in a small portion of Eastern Prussia. The devastation amounted merely to a matter of some 400,000,000 marks, long since repaid at Russia's expense. On the other hand, Germany systematically devastated the richest portions of France, causing the latter country, in that respect, damages exceeding one hundred billions. In the

first place, Germany is showing no serious inclination to make reparation, *but even were she to make total reparation in the devastated regions of France, the latter country, for that reason, would remain handicapped in the economic field.*

During the rehabilitation of devastated France, Germany, with her factories intact, will be working, as she always has done, to gain outlets throughout the whole world for her foreign trade.

The general result of this situation is that the war, from a standpoint of wealth, has left Germany, even though reduced to a population of sixty-one millions, in an economic position infinitely less critical than that of France, cruelly devastated, and with a population of only thirty-nine and one-half millions, even after recovering Alsace-Lorraine.

Losses in population.

According to the report of M. Louis Marin, chairman of the Budget Commission, France's losses in killed and missing, for land and sea forces, were 1,365,000 men. From this figure should be deducted 67,000 native Colonial troops, leaving a net total of 1,298,000 native Frenchmen killed or missing. In proportion to the metropolitan population (38,000,000 French citizens

in 1914), France, therefore, lost in the war 3 4/5 men per hundred inhabitants, or in round numbers four men for every hundred of her total population.

Germany's 1,822,000 killed and missing are distributed among that country's total population in 1914 of 68,000,000 inhabitants. Consequently, Germany lost 2 5/6 men, or in round numbers 3 men per hundred of her population. *Therefore, in proportion to their respective populations, France's loss of life was one-third greater than that of Germany.*

This situation is destined to grow worse through the influence of the birth-rate, which, before the war, was much higher in Germany than in France.

In 1920, Germany, with her population of sixty-one millions, had 1,512,000 births and 888,000 deaths; that is to say, twice as many births as France, with her thirty-nine and one-half millions of inhabitants. Consequently, the German birth-rate still remains very much higher than that of France.

Germany, whose loss in man-power is smaller than that of France, will, thanks to her higher birth-rate, make up for that loss much more rapidly than France.

Consequently, the war has greatly increased the disproportion which existed in 1914 between the strength of their respective populations, and

this change has been to the disadvantage of France, and to Germany's advantage.

To sum up, the German theory is that, in order to make sure of a victory over France — and then over every nation whose independence is guaranteed by that of France — all that is necessary is to maintain the action of the fundamental differences created in Germany's favor by the war : i. e. the retention of part of the war-booty, smaller war-costs, Germany intact and not paying devastated France; smaller loss in man-power; higher birth-rate.

This calculation in political sciences is so exact that it would be possible, with the aid of the documentation furnished by these sciences, to draw the curves showing the action of these various causes, and to deduce, from their superposition, at what period, if they are allowed to operate, France will be in such a condition of inferiority to Germany that she will find herself, *ipso facto*, in a veritable state of servitude.

The way for France to have offset this, and to have gained a real victory after the Armistice, would have been to establish in that portion of the Peace Treaty containing the economic clauses, and in the political construction of Europe, a condition of affairs that would have destroyed or neutralized the differences which the war created in Germany's favor.

The infinite resources of the practical applica-

tion of the political sciences would enable France and Allies to find unexpected and efficacious solutions which would bring about this result, even from the standpoint of the ethnographic reconstruction of France. Unfortunately, it is evident that, as yet, we have not thought of understanding this way of making the victory effective.

CHAPTER III

THE ARMISTICE TRICK

I. **Causes enabling the Germans to accomplish it successfully.**

II. **The Armistice in the plan of the Pangerman leaders.**

III. **Facts betraying the preparation of the Armistice in the United States and in Europe.**

IV. **The hypothesis explaining everything :** i. e. a secret understanding between the Pangerman leaders and the financiers surrounding Mr. Lloyd George, the object being the exploitation of Russia, considered as their prey.

V. **Strikingly significant happenings during the period of the Armistice.**

VI. **The Treaty of Versailles bears every evidence of having been an organized piece of dupery.** A strikingly convincing example : the shady reparations affair.

The Armistice trick played by the Pangerman leaders truly constitutes a manœuvre of extraordinary audacity, complexity and subtlety. One cannot devote too much study to this move, for its success has been the cause of all the difficulties experienced ever since by the people of the Allied countries.

I

The German intrigues, the object of which was to bring about an armistice, were able to succeed on account of being favored by causes which, although differing widely, produced effects of the same character.

1st. The persistent propaganda activities of the Berlin General Staff.

2nd. The activities of several Jewish financiers of German origin, whose families, for the most part, came originally from Frankfort. These men had become naturalized British or American citizens, and exercised considerable influence in London, New York and Washington.

3rd. The obsessing vanity of President Wilson in wishing, at any price, to be the arbiter of peace. A decisive victory would have prevented him from playing that role.

4th. The constantly increasing activities of the German Social Democratic party, after Zimmerwald and Kienthal, manœuvring the labor leaders of France, England and Italy in such a way as to work more and more efficiently to have peace concluded before a decisive victory should occur.

In the reply to the Dutch-Scandinavian questionnaire which was resolved upon, August 11,

1917, officially determining the view-points of the Socialist party of France with regard to the future peace, it was declared, p. 49 :

« *The Socialists do not need to study the state of the war-map, nor whether military operations do or do not permit of treating more or less favorably. Peace will come when the Governments declare plainly, without ambiguity, that they accept the principle of the right of peoples to self-determination, etc.* »

And thus the Socialist leaders in France, beginning in August, 1917, agreed to the proposition that a simple declaration on the part of the Germans could put an end to the war!

5th. M. Clemenceau's belief that, had the military victory been complete, his role of civilian war-leader would have been lessened, to the advantage of the military leaders.

6th. The fact that Marshal Foch, the admirable head of the Allied armies on the Western front, was not sufficiently informed as to the true character of Messrs. Wilson and Lloyd George, and of the subtle measures on foot to bring about the accomplishment of the Pangerman plan.

On several occasions in the course of the last few months, the Marshal has declared that he had not considered it necessary for the Allies to enter Berlin. Marshal Foch's most ardent admirers, judging from the facts, cannot help think-

ing that this point of view does not take sufficiently into consideration the psychology of the German people, intoxicated by twenty years of Pangerman propaganda.

On account of this intoxication, it was indispensable that the Allied troops should enter Berlin, precisely because it would have brought about the complete destruction of Prussian militarism, rendered general European disarmament possible, and brought genuine Republican elements into power in Germany.

II

The Armistice, coming, as it did, at the precise moment when they were threatened by irrevocable disaster, constituted an unheard-of piece of good fortune for the Pangerman leaders, who were familiar with the secret of the war of political sciences.

The reader can judge for himself. As early as August 20, 1917, Emperor Charles of Austria had written to the German Crown Prince : « *Despite the superhuman efforts of our troops, the country's internal situation demands that a prompt decision be taken to bring the war to a close before the approach of winter ; and this applies with equal truth to Germany and to ourselves.* »

In April, 1918, there had commenced in

Austria-Hungary the Slav and Latin movements which, as they developed, broke up the Hapsburg Empire. Then came the magnificent victory of the Allied army of the Orient, breaking through the Macedonian front on September 15, 1918, and reaching the Danube shortly afterwards. From that time on, the road to Berlin was wide open, by way of Budapest-Vienna-Prague. General Franchet d'Espérey's troops could have advanced as far as Saxony, two hundred kilometres south of Berlin, *without having to fight*, because the Armistice with Austria-Hungary allowed them to make use of all the transportation facilities of that country.

Consequently, the German defence on the Western front became impossible. Marshal Hindenburg, in his letter dated October 3, 1918, formally admitted this fact. (See p. 92).

In these general conditions, on November, 11, 1918, it was only a matter of from four to six weeks to crush, completely and *without any risks*, Pangermanism and Prussian militarism. The German people and army were demoralized to such an extent that a slight extra effort would have brought about a real and absolute victory. The Armistice, coming when it did, at a time when it enabled the Pangerman leaders, at the last minute, to escape so decisive a defeat, constituted a tremendous success for them.

Moreover, it is altogether clear at the present

time that this armistice was only the beginning of a new mystification in several acts, the objects of which were :

1st. To avoid a total military defeat, which would have rendered useless any subsequent effort to resume a Pangermanist policy.

2nd. To substitute for a material war under a military form, an invisible war under the form of « political sciences », so as gradually to win back the victory by the use of new methods, of which the Allied leaders were ignorant.

3rd. To make a military campaign of revenge on France eventually possible. Such action is considered necessary by the Pangerman leaders, in order to wipe out the stain of Germany's military defeat in the latter part of 1918.

Consequently, the Armistice protected the future of Pangermanism by enabling the Pangerman leaders to reverse the situation by a series of manoeuvres, subsequent to the Armistice, and rounding-out those manœuvres which were successful in bringing about the Armistice.

III

There are a certain number of facts of such a character as to produce the conviction that the Armistice was the result of a fraudulent manœuvre, prepared long before.

During the war, singular points of contact were maintained between Mr. Lloyd George's confidants and Berlin. A German admitted to M. Albert Londres, on the occasion of one of the latter's tours of investigation in Germany : « In the feudal castles there were parapet-walls along which the men-at-arms walked openly, and there were also the subterranean passages, permitting secret communication.

« During hostilities, Germany and England loyally shouted their war-cries from the parapet-walls, but this did not prevent masked messengers from circulating mysteriously in the underground passages of diplomacy and business. » (Cf. *L'Eclair*, June 14, 1921.)

Moreover, it is now known that in January, 1918, Mr. Lloyd George sent his confidential man, the pro-German General Smuts, into Switzerland, in order to get into touch with Austro-German agents, with a view to peace.

It was likewise in January, 1918, that Paul Warburg (see page 53), a German who had become a naturalized American, living at that time in New York; a friend of Mr. McAdoo, President Wilson's son-in-law, succeeded, — so it is alleged, — thanks to trusty go-betweens, in getting in touch, by way of Holland, with his brother Max Warburg of Hamburg, and through the latter's mediation, with Bronstein *alias* Trotzky.

SAGAMORE HILL May 4th 1918

Dear M. Cherdame,

There is no man I am more anxious to see than you.

Can you meet me at the Harvard club, 25 west 44th St, on Tuesday at 3 in the afternoon? and lunch with me, at my sister's, Mrs. Douglas Robinson, on Friday at 1.30 — at 9 East 63d St?

Will you drop me a line, or telephone me, at my office, the Kansas City Star, 347 Madison Ave; the telephone number is Murray Hill 178.

With high regard

faithfully yours

Theodore Roosevelt

Towards the end of April, 1918, when I arrived in New York, in order to carry on the task I had undertaken : namely, the explanation to the American public of Pangermanism and its manœuvres, I ran across ex-President Roosevelt, whom I had known ever since 1903. In order to give weight to my demonstration, it behoves me to furnish proof of my relations with Mr. Roosevelt, and, particularly, to prove the date on which I got directly in touch with him. For that purpose I reproduce herewith a facsimile of the letter ex-President Roosevelt wrote me on May 4, 1918, six months before the Armistice, as soon as he learned of my arrival in New York.

I shall demonstrate the political character of my relations with ex-President Roosevelt by proving that he was of great assistance to me in my campaign in the United States.

In order to establish this fact, I reproduce page 118 the letter of introduction which Mr. Roosevelt gave me to his friend Mr. Abbott, manager of the *Outlook*. As other work prevented me from taking up this collaboration, I did not use the letter, and in this way it remained in my possession.

THE KANSAS CITY STAR

OFFICE OF
THEODORE ROOSEVELT

NEW YORK OFFICE
347 MADISON AVENUE

September 16, 1918.

Dear Lawrence:

This will introduce to you Mr. André Chéradame. I am not speaking hyperbolically when I say that Mr. Cheradame has literally done more than any other man in the world to make the allied nations understand where the really vital danger from Germany lay. You have doubtless read his articles in the Atlantic Monthly. I believe he would do great work for the country through the columns of the Outlook.

Faithfully yours,

Theodore Roosevelt

Mr. Lawrence Abbott,
381 Fourth Avenue, City.

It was on account of my close connection with the Roosevelt circles that I was advised by them, as early as May, 1918, consequently six months before the armistice, that President Wilson was preparing an Armistice which he wished to impose, *in any event*, before winter. I was likewise assured that influential financiers of German origin, but naturalized American citizens, were bending every effort in that direction. Moreover, I noticed, in a certain number of American newspapers, a tendency to look on every advance of a few kilometers on the French front, when the German retreat began, as a decisive victory, permitting the conclusion of an immediate peace.

I was so impressed by this information and these observations that I devoted all my efforts to trying to convince the American public of the danger of ceasing hostilities before a real victory had been won.

With this end in view, particularly in the New York *World* of September 3, 1918, *consequently two months before the Armistice*, I exposed, in the following article, the object of the manœuvre which I saw was developing.

« To grasp the Boche manœuvre in a way to circumvent it, let us first suppose the ideal conditions for its success are realized. These conditions would be as follows :

« Admitting, in view of the onrushing flood of American troops, that a decisive military victory is not just now practicable, the German Government decides to make ready for a new Brest-Litovsk Treaty adapted to Occidental conditions. So the General Staff of Berlin straightway adopts the following tactics : Gradually to withdraw the German troops from the west, destroying everything behind them, avoiding heavy losses, but making the Allies pay as dearly as possible for the ground they retake. In this way France and Belgium are evacuated. The Allied armies continue to advance in the west. For months the Allied newspapers are filled with the recital of the victories which have brought about this spectacular result. Thus

the greater part of the Allied public opinion is persuaded that the German Army is beaten, since it has undisputably fallen back under the military pressure of the Allies. Besides, the German press admits it, and even goes so far as to suggest the return of Alsace-Lorraine to France so that peace may be secured. All this is favorable to the activities of the pacifist and Bolshevik groups, who speed up their propaganda. Under the influence of all these occurrences, before winter in the Entente countries the majority will be saying : « Why impose new sacrifices upon us? Now is the time for efficacious peace parley, since we are the victors. »

After the Armistice, on April 16, 1919, Col. von Klewitz made an extremely interesting statement to M. Maurice Berger, who had been sent on a mission into Germany by the Belgian General Staff. M. Berger was discussing with the colonel the German retreat on the Western front. The colonel retorted : « That was not a retreat ; it was a military operation made to deceive the enemy and gain freedom of operation. Furthermore, the enemy let himself be taken in. » (Cf. Maurice Berger, *La nouvelle Allemagne*, p. 64, Grasset, publisher).

To-day, the fact is no longer disputed that the German retreat on the Western front was carried out systematically, and that the Armistice

came at the precise moment when that retreat was about to degenerate into a rout.

An incident which affected me personally enables me to prove to what an extent Mr. Wilson's manœuvres in favor of the Germans were known in September, 1918. In the early part of October, 1918, I contracted a severe case of Spanish influenza, and during a whole month was confined to the French hospital in New York.

Basing my conclusions on the information I had obtained *prior to my entrance into the hospital*, in other words in September, 1918, I wrote from the hospital on October 6 to my friend M. Léon Siben, now Presiding Judge of the Supreme Court of Alsace-Lorraine at Colmar, a letter which is authenticated by the fact that he received it in due course of time.

A portion of my letter, transcribed literally, is as follows : « *As regards what has just transpired in respect of projects for an armistice, I am still very much worked up over them. Moreover, the matter is not finished, despite appearances.* W... (*Wilson*) *is an extremely dangerous person. I will explain all this better later on.* » On account of the censorship over mail, which at that time was exceedingly strict, I was obliged to express my opinion in rather mild terms.

Mr. Wilson's manœuvres in favor of the Germans became so marked that they aroused

a storm of public protest from a number of Americans, headed by Mr. Roosevelt.

These manœuvres became altogether clear when, on November 2, 1918, Mr. Wilson had all the cables between the United States and Europe seized, although they were already under the control of the military censorship. *This seizure of the cables by Mr. Wilson's Administration lasted during the greater part of the Peace Conference; it had a decided effect in preventing public opinion in America from getting in touch with public opinion in France, and from ascertaining what they mutually desired.*

The Armistice was signed on November 11, 1918, contrary to the will of the American people, which, at the general election of November 5, only six days before, had declared that it wished to impose « unconditional surrender » on Germany. Everywhere, prior to the Armistice, I ascertained that the American public, by an overwhelming majority, called for a peace to be dictated in Berlin. When the Armistice was announced, the American people manifested extreme satisfaction, but this was because it had been misled by the statement that the Armistice was equivalent to a decisive victory.

But those Americans who were aware of the true inwardness of what was being planned were more uneasy than ever, especially after the seizure of the cables, as to Mr. Wilson's

intentions regarding the Paris Conference.

Loyally, they did everything in their power to inform the French Government of the real facts of the situation, by acquainting it with the fact that President Wilson, who had just been disavowed in no uncertain fashion by the American people, particularly on account of his pro-German tendencies, could not truly present his ideas in Paris as being those of the people of the United States.

Towards the end of December, 1918, I was entrusted with a semi-official mission by several prominent Americans who were highly representative of the real state of public opinion. The purpose of this mission was to make the real situation known in Paris.

Consequently, as soon as I returned to France in the early part of January, 1919, realizing that it was useless to try to approach M. Clemenceau directly, I wrote the following letter to M. Poincaré, President of the Republic.

January 6, 1919.

Mr. President,

I have just come from the United States after spending nine months there under exceptional conditions as regards relations, information and activity. I have been asked by several prominent Americans to make known as speedily as possible to those at the head of the French

Government the true state of American public opinion, as regards the great problems of the hour. Furthermore, I believe that I can call your attention to matters of the highest importance.

For the above-mentioned reasons, inspired solely by general public interest, I should greatly appreciate it, Mr. President. if you would grant me an audience as soon as possible.

Yours, etc.

Immediately I received the following letter, granting me an audience.

PRÉSIDENCE DE LA RÉPUBLIQUE

Paris, le 7 Janvier 1919

Monsieur,

En réponse à votre lettre du 6 de ce mois, M. le Président de la Republique me charge de vous faire connaître qu 'il vous recevra volontiers au Palais de l'Elysée, vendredi prochain, 10 Janvier, à 5 heures 1/2 du soir.

Veuilles agréer, Monsieur, l'assurance de mes sentiments les plus distingués

Le Maître des Requetes au Conseil d'Etat,
Secretaire General Civil
de la Présidence de la République.

A. Pichon

Monsieur André CHÉRADAME

PRESIDENCY OF THE REPUBLIC.

Paris, January 7, 1919.

Sir :

Replying to your letter of the 6th inst. the President of the Republic wishes me to inform you that he will be pleased to receive you at the Elysées Palace on Friday next, January 10, at half-past five in the afternoon.

Yours very truly,

Monsieur André Chéradame.

M. Poincaré received me with the friendliness he has always shown me, and gave me all necessary attention. Consequently, I was able to communicate to him everything that I deemed useful. I am thoroughly convinced that M. Poincaré did all in his power to make use of this information, but it is easy to see why it had no effect on M. Clemenceau, as it is now a well-known fact that the latter did not listen to the President of the Republic any more than he did to a great many other persons.

So true is it that M. Clemenceau did not wish to learn anything about the situation in the United States that when General Taufflieb, now Senator from the Lower Rhine District, who, like myself, upon his return from the United States (March, 1919) had realized the urgent necessity of making the true situation known

to the heads of the French Government, asked M. Clemenceau for an interview, he was unable even to obtain one.

Moreover, I did not remain satisfied with having notified M. Poincaré. It occurred to me that M. Abrami, Under-Secretary of State for War, probably had more influence over M. Clemenceau. I requested an audience with him. He granted it in the following letter :

Jan. 10, 1919.

Sir :

M. Abrami is in receipt of your letter and desires me to inform you that he will be pleased to receive you on Monday next, January 13, at 2:45 in the afternoon.

Head of the Private Secretary's Office.

Monsieur Chéradame.

I communicated the same facts to M. Abrami that I had already given to M. Poincaré, and he gave them his kindest attention.

These measures seemed to me to be all the more necessary because upon my return to France, I was thunder-struck to perceive that public opinion was being been kept in complete ignorance of the situation in America. I could not understand why such was the case. It had been morally impossible for M. André Tardieu,

M/J N° 2[illegible]

MINISTÈRE
DE LA GUERRE.

Cabinet
du
Sous-Secrétaire d'Etat
de l'Administration
de la Guerre

RÉPUBLIQUE FRANÇAISE

Paris le 10 JAN 1919 191

Monsieur,

Monsieur ABRAMI a bien reçu votre lettre et me charge de vous faire connaître qu'il vous recevra très volontiers lundi prochain 13 Janvier à 2 Heures 3/4 de l'après-midi.

Croyez, Monsieur, à l'expression de mes sentiments les meilleurs.

Le Chef du Secrétariat Particulier

Monsieur CHERADAME.

in his capacity as High Commissioner at Washington, to be in ignorance of what an overwhelming majority of the American people had declared to be its will on the occasion of

the general election, November 5, 1918. Moreover, M. Tardieu had special sources of information which were more extensive than mine. Consequently, it was impossible for him to be in ignorance of the people by whom Mr. Wilson was surrounded, and how those men knew the way to exploit the President's obsession to be the arbiter of the world. I never could manage to understand how M. Tardieu, upon his return to France, had not considered it his first duty, not only to warn M. Clemenceau, but to give the directive instructions necessary in order that the French newspapers might publish at least a summary of what was being said in millions of copies of American papers, regarding Mr. Wilson and the peace. Had M. Tardieu done so, the force of public opinion in France could have been utilized by those at the head of the Government.

I was still more surprised when, as matters developed, I was compelled to yield to the evidence and to admit the fact that Messrs. Clemenceau and Tardieu's Government was placing the French censorship at Mr. Wilson's disposal.

M. Geraud (Pertinax) of *L'Echo de Paris* has shown me the original telegrams which Mr. Welliver, the Washington correspondent of *L'Echo de Paris*, sent that journal during the Peace Conference. The publication of these telegrams was strictly forbidden by the French

censor's office. From another source I learned that at the French censor's office, which was located in the Bourse, several American censors in uniform reinforced the French censors for a certain time, in order that the latter might not allow anything that might displease Mr. Wilson to get into the French papers.

In March, 1919, on two separate occasions, and each time by Englishmen whom I had known for a long time, and who were in the habit of discussing matters with me with the utmost sincerity, and who were situated in excellent positions to know what was going on behind the scenes at the Peace Conference, I was informed that the financial group surrounding Mr. Lloyd George was urging him unequivocally to make a peace in which France would be the scapegoat.

In April, 1919, I received the same information from a prominent diplomat connected with the Peace Conference. This gentleman came from a country located at a considerable distance from Europe, and is a firm friend of France. Again, during the same month, April, 1919, one of my Washington informants, who was situated in a good position to know what was going on beneath the surface, advised me that the influences that were at work on Messrs. Wilson and Lloyd George were agreed on the subject of spurring them on to conclude a peace that would be unfavorable to France.

Naturally, I cannot give my informants' names, but it is possible for me to give a proof of the period during which they gave me this information.

As a result of the information furnished by these gentlemen, I immediately began a series of articles in the newspaper *La Democratie Nouvelle*, to which I contributed up to the time of the Spa Conference.

The object of these articles was to denounce, insofar as it was possible under the censorship existing at that time, the fatal action of Mr. Wilson, the danger of deceiving public opinion, and the atrocious provisions they were getting ready to insert in the Treaty of Versailles.

As a proof of this, I append the titles of some of these articles, with their dates.

The Extinguisher over the Atlantic. March 11, 1919.

A Paper or a Fact. March 25, 1919.

Stifling Public Opinion. April 7, 1919.

The Four have led the Allied peoples to the brink of the Abyss. April 18, 1919.

Where are the Guarantees? April 20, 1919.

Signing is nothing, Execution is sverything. April 26, 1919.

From the Armistice to Pangermany through Ignorance and Betrayal. June 16, 1919.

The Signature. June 25, 1919.

In this last-mentioned article, which was pub-

lished *on the eve of the Treaty of Versailles*, I said :

« Well, good people, are n't you satisfied ? You have the Peace Treaty, signed ! It is not 'in a haversack' ! It is a carefully-drawn-up, polished piece of work ! And what guarantees it gives us ! First of all, we shall have those of the Treaty, the sole value of which, evidently, consists in the quality and duration of its execution. Now, this Treaty, drawn up by the Allied leaders, contains astonishing depths, which only appear after a study of its long and complicated text. This Treaty seems to possess the following characteristic : it formulates obligations for Germany, many of which seem severe ; but by a singular chance, most of these obligations are accompanied by arrangements which weaken or delay their execution, or allow Germany to evade it..... In fine, we have as a guarantor this worthy Herr Erzberger, regarding whose intentions we cannot have any doubt, as the *Chicago Tribune* has rendered us the service of publishing a memorandum written quite recently by Herr Erzberger, in which he said : « *If we succeed in preventing the creation of a strong Poland, our future is plain sailing. We shall undertake the rehabilitation of Russia, and with such support we shall be in a position, in ten or fifteen years, to have France at our mercy. The march on Paris will be easier than in 1914.*

And the Continent will belong to us.,... » This last phrase sums up, in reality, the whole Pangerman program at the present time, and gives an exact idea of the degree of perfect contrition existing beyond the Rhine. »

This citation from a text which was published on June 25, 1919, suffices to show that I had no illusions regarding the Treaty of Versailles, even at the time of its signature. Consequently, my informants were of exceptional ability and had given me very exact information at an opportune moment, regarding what, at that time, was a very great mystery.

Granting the importance and agreement of the abovementioned facts, particularly the extraordinary effort made by the censors who, on both sides of the Atlantic, systematically duped public opinion for months, it seems exceedingly reasonable to admit that, through the effect of assistance obtained among the Allies themselves, the Armistice was prepared and concluded under absolutely abnormal conditions. These conditions enable the Germans to escape total defeat at the precise moment when the Allied peoples were about to snatch a decisive victory.

IV

We now find ourselves confronted by two facts, publicly admitted, and of the greatest

interest not only in themselves, but also by reason of the deductions that may be drawn from them.

First fact. — It is a matter of public notoriety that for several months past, Hugo Stinnes, Pangermanism incarnate, in co-operation with Krassin, a German agent (see p. 235), and of the financial syndicates by which Mr. Lloyd George is surrounded, has been organizing the Anglo-German exploitation of Russia. Several American and French groups are to be allowed to participate in this exploitation, in the hope of neutralizing the eventual opposition of Washington and Paris.

Second fact. — The *Daily Herald*, on November 28, 1921, stated that an Anglo-German Entente, replacing the Anglo-French Entente, not only was a simple possibility, but a serious probability. This project of an Anglo-German Entente was being studied, towards the close of 1921, at the Foreign Office and at the *Wilhelmstrasse*. (Quoted by *Le Matin*, November 29, 1921.)

Anyone who thinks that because the *Daily Herald* is a Bolshevist paper it was exaggerating or was misinformed regarding Mr. Lloyd George's intentions, is gravely mistaken. The exact contrary is true. Mr. Lloyd George has openly favored the Bolshevists *ever since February, 1919* (the occasion of the projected conference at Prinkipo); and since that time his ten-

dencies in that direction have become more and more pronounced, particularly as shown by his agreement with Krassin. Moreover, the *Daily Herald* is managed by Mr. George Lansbury, who has been in touch with Mr. Lloyd George for a very long time.

Further than this, the secret Anglo-German Entente has already been announced by the special correspondent of the *Matin* at Berlin, who stated in an article published in that paper on May 20, 1921 :

« If Mr. Lloyd George were to go to Germany at the present time, the population would hail him with the greatest transports of enthusiasm and would carry him in triumph.

« The Prime Minister's words, in the statement he made to Reuter's agency : « THE FUTURE WILL BE DETERMINED BY OLD OR NEW ALLIANCES, *arouse tremendous hopes here. The German Nationalists hope that England has just taken a resolution to maintain France in perpetual economic vassalage, by abandoning her in her ruins.* IN CERTAIN PARLIAMENTARY CIRCLES, THERE IS EVEN TALK OF A SECRET ENTENTE BETWEEN THE REICH AND GREAT BRITAIN, WHICH IS SUPPOSED TO HAVE BEEN CONCLUDED UNDER THE AUSPICES OF LORD D'ABERNON AND HUGO STINNES. »

Truly, after these warnings, if anyone does not understand the situation, it is because he does not wish to!

So, we find ourselves in the presence of two precise facts, both of which have been made known to the public.

Now, in order to throw light on the Armistice period, which admits of so many curious sides, and in order to bring out finally the real meaning of the Treaty of Versailles, it would suffice that these two facts, having been fused into a single one, had been materialized during the Armistice.

I shall re-state this fact, in as precise terms as possible. *In order to explain the inexplicable, it would suffice that the understanding between the Pangerman leaders and the financial circles surrounding Mr. Lloyd George — an understanding based essentially on the exploitation of Russia, to the profit of the Anglo-German financial syndicates, and openly avowed at the present time, — had, in reality been concluded, at least in a general way, during the Armistice period.*

It would not have been at all difficult to bring about this state of affairs, because, from the time of the Armistice, the Pangerman leaders have had every facility for influencing the financial circles surrounding Mr. Lloyd George, and they, in turn, had only to bring the British Prime Minister round to their point of view.

By his own admission, Hugo Stinnes appears to have been the prime instigator of this man-

œuvre. After the Armistice, M. Maurice Berger was sent on a mission to Berlin by the Belgian General Staff. On January 26, 1919, Hugo Stinnes stated to him :

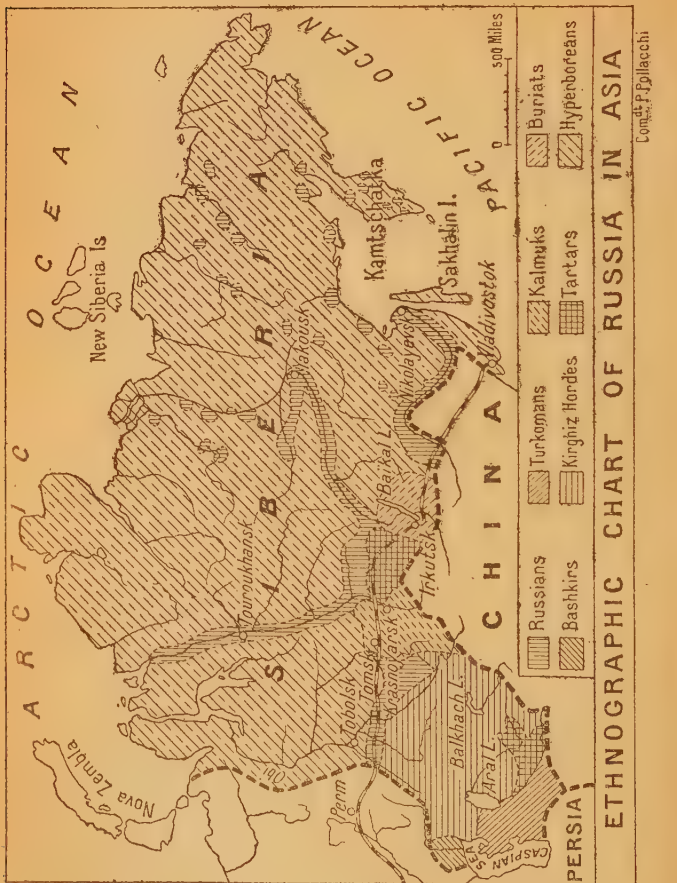
« *As for myself, I had uninterrupted relations in high British circles. I was there three weeks before the war, negotiating business deals.* » (See *La Nouvelle Allemagne*, by Maurice Berger, p. 88, Grasset, publisher.)

Knowing what we do at present regarding Hugo Stinnes' activities, it is practically certain that after the Armistice, and possibly even before, Hugo Stinnes, utilizing his « uninterrupted relations in high British circles », and in concert with the rest of the Pangerman leaders, made proposals to the group surrounding Mr. Lloyd George, in what we may presume to have been the following language : « Russia is in our hands; the men at the head of that country's affairs are our agents. They are destroying everything that can possibly be an obstacle to our domination. One hundred and thirty million Russians and other populations are at our mercy for a long time to come. We can keep them under our yoke with the assistance of the six million Jews who are scattered throughout the former Empire of the Czars, and two and one-half million Germans who form colonies spread like a segment of a circle from Poland to the Caucasus. (See map.) The twenty million square

kilometers in Russia in Europe and Russia in Asia contain boundless wealth. In those regions are to be found raw material of every kind and

in unlimited quantities; mines of every kind, for the most part unworked, containing treasures. Why should we not come to an understanding in order to derive mutual profit from these unheard-of treasures? »

In an article which appeared in March, 1921, in his own organ *Die Glocke*, the notorious Jew



Parvus, the inventor of Bolshevism (cf. p. 234), wrote : « Russia will create the most powerful industrial combinations in the world. That

country will produce billionaires who will make all those heretofore known pale into insignificance. » (Quoted by *Le Temps*, April 21, 1921.)

These lines, written by a notorious agent of Ludendorff, permit one to grasp without difficulty how men like Hugo Stinnes, addressing financiers who were British subjects but were of German-Jewish origin, and who surrounded Mr. Lloyd George, was able to dazzle them with

the idea of Russia as a prey, to such a point that in the end the exploitation of the fabulous wealth of Russia, considered as their prey, became for these financiers the sole matter of interest. In order to bring this scheme to a successful conclusion they resolved to make every other consideration give way.

And we can imagine the tempters, Hugo Stinnes and his associates, terminating their suggestions to the Anglo-Jewish financiers by saying to them :

« If you have sufficient influence over Mr. Lloyd George to get him to accept the secret agreement, the general lines of which we will explain to you, we will take you into partnership with us in our vast operations in Russia, and you will realize the most extraordinary profits you have ever made. »

What could have been the secret agreement which the Pangerman leaders would then have proposed ?

In this connection I shall reproduce, almost literally, the hypothesis which I published in *La Democratie Nouvelle*, May 15, 1920, that is to say, at a time when the game of the group surrounding Mr. Lloyd George — a game so dangerous to France — was still almost unknown.

Let us suppose that the Pangerman leaders, immediately after the Armistice, managed to conclude a secret agreement with the financial

group surrounding Mr. Lloyd George : an agreement the general terms of which would have been somewhat as follows :

« The Lloyd George Cabinet shall throw overboard its peace program : guarantees, sanctions and reparations.

« It shall so arrange matters as to have the Peace Treaty contain nothing but theoretical guarantees, without any real efficacy. Mr. Lloyd George shall manœuvre in such a way as to enable Germany to escape the sanctions for the crimes committed during the war.

« Mr. Lloyd George shall arrange to have the German reparations remain fictitious, that they shall not be put into practical execution, or that such as cannot be avoided be reduced as much as possible. In this case, it is understood that France's portion shall be as small as possible, France being considered as the principal adversary of Germany.

« France, reduced to bankruptcy by this program, shall become subject to Anglo-German hegemony.

« England shall remain mistress of the seas, but she shall divide the hegemony of Europe and Asia with Germany. The participation of British financial circles in the economic expansion of Germany will give enormous profits to the Anglo-German syndicates which are interested therein.

« The Lloyd George Cabinet shall so act that Germany can finally colonize Central and Northern Russia, as well as Siberia. The exploitation of these immense territories shall be made for the profit of the Anglo-German financial syndicate, with the participation of certain American and French financial groups.

« The exploitation of Central Europe shall be conducted in common. England shall take an important base at Budapest, in the midst of the great Magyar land-owners, all royalists, and the perennial allies of the Prussian Junkers. »

« Utilizing the Danube, England shall carry on the economic exploitation of the Balkans, and her activities, in conformity to German wishes in the matter, will contribute towards hindering the true independence of Czechoslovakia, Roumania and Yugoslavia. These countries are to come under the Anglo-German hegemony, and are gradually to restore to Hungary the territory taken from her by the Treaties of Saint-Germain and Trianon.

« As for the territory represented by the former Ottoman Empire, Persia, the Southern part of Russia and the Caucasus, they shall form a zone of influence specially reserved for Great Britain. The influence of any other great Power, particularly France, shall be excluded therefrom. »

In May, 1920, when I published this hypothesis, in almost exactly this form, a great many people considered it altogether improbable. At the present time such is not the case, for many essential facts seem to justify it.

V

During the period preceding the Armistice, and also during the one following it, we find some exceedingly strange facts.

The choice of General Smuts.

The Anglo-Boer general, Smuts, who is notoriously pro-German, was chosen by Mr. Lloyd George to go to Switzerland on several occasions, *beginning in January, 1918*, consequently nine months before the Armistice, to get in touch, in view of the forthcoming peace, with the Austro-German emissaries, among whom was Count Mensdorff, former Austro-Hungarian Ambassador at London before the war.

Up to the present time, only a part of what transpired during these negotiations is known, as they were ultra-secret. However, we already know that General Smuts gave the German negotiators to understand that London no longer believed that the Entente could obtain a military victory of a really decisive character.

In this way Mr. Lloyd George's representative let it be understood that London was disposed to consider a compromise peace. This coincided exactly with Berlin's ideas, for the reasons stated above. (See p. 99.) Consequently, General Smuts was in favor of creating the atmosphere which enabled the Germans to obtain the Armistice of November 11, 1918, before the Allies were able to obtain the decisive victory which was inevitable. After hostilities ceased, General Smuts showed that he was very decidedly pro-German. He gave this impression as early as April, 1919, when Mr. Lloyd George sent him on a mission to Budapest, where Bela Kuhn was in power at that time. General Smuts showed an extremely benevolent attitude towards the Magyar Bolshevists, and an altogether hostile one to the Czechs, Roumanians and Yugo-Slavs, as befitted a man whose mind was made up to favor the German interests in Central Europe.

But General Smuts' pro-German sentiments were manifested full blaze on the very morrow of the signature of the Treaty of Versailles.

General Smuts, who in his capacity as a member of the British delegation from South Africa, had just signed that treaty, saw fit to give out a statement, the most important part of which follows :

« There are territorial arrangements which will have to be revised. It will be seen that

there are guarantees that are not in harmony with the new pacific temperament and condition of disarmament of our late enemies. Punishments are provided, but when we examine them more dispassionately, we shall see that it is necessary to cross them off. Indemnities have been stipulated which cannot be exacted without causing considerable harm to the industrial regeneration of Europe, and which it is in the interest of all to render lighter and more moderate. » (Cf. *Le Temps*, June 29, 1919.)

And so the ink was not yet dry on the signature which General Smuts had affixed to the Treaty of Versailles, before he felt the imperious necessity of proclaiming publicly that the Treaty ought to be revised, in a sense favorable to the Germans, on all the essential points!

Inasmuch as General Smuts was Mr. Lloyd George's confidential man, sent by him before the Armistice to resume relations with the Austro-German emissaries, he was chosen, evidently, on account of tendencies of which Mr. Lloyd George could not be in ignorance. In these circumstances, one can readily imagine that the Pangerman leaders experienced no difficulty after the armistice, and possibly even before it, in having the idea of a secret Anglo-German agreement suggested to the most influential members of the financial group surrounding Mr. Lloyd George.

The Stopping of General Franchet d'Espérey's Offensive in Central Europe.

On November 3, 1918, eight days before the Armistice granted to Germany, Austria-Hungary made a general capitulation. General Franchet d'Espérey had twenty-two divisions at his disposal. The main body of his troops was only three marches from Budapest. The road to Berlin lay open to the Allied armies, by way of Bohemia. They could have reached the Northern part of Bohemia, two hundred kilometers South of Berlin, without having to fire a gun. From that point, an offensive march on the capital of the German Empire would have caused the whole Western front, threatened from the rear, to give way. It meant decisive, absolute victory, with the least possible loss.

There was nothing to hinder profiting by this incomparable situation, for the terms of the Armistice with Austria-Hungary permitted the Allied army in Central Europe to use the transportation facilities of the former Empire of the Habsburgs in case they wished to advance.

However, as early as October 27, 1918, M. Clemenceau stopped the advance on Budapest and Vienna. On November 27, 1918, he renewed his interdiction against an advance, by the War Office despatch No. 14680 B. S. 3.

Cease provisionally all movement on Budapest and Vienna. This provisional order assumed a permanent character owing to a telegram, No. 14794, B. S. 3, dated November 30, 1918, and was maintained despite the reiterated requests of General Franchet d'Espérey, who begged to be allowed to advance. (Cf. *L'Œuvre*, July 8, 1920.)

Then M. Clemenceau set about breaking up the army of Central Europe. He sent certain French units to Odessa, while the British troops went to take possession of the oil-wells at Baku and to establish themselves at Constantinople.

The British who were in Turkey considered themselves in a conquered country to such an extent that, in March, 1920, they established their control over the various Turkish ministries.

Is it possible, at the present time, to believe that M. Clemenceau took these measures, considered as a whole, under the influence of anyone except Mr. Lloyd George?

Consequently, it would appear that the latter's influence was strongly brought to bear in taking whatever action was necessary in order to prevent the complete victory of the Allies by way of Central Europe. However that may be, the above-mentioned facts, considered as a whole, are in strict conformity

to that portion of our hypothesis regarding a secret Anglo-German agreement whereby Southern Russia, the Caucasus and the former territory of Turkey should constitute a zone reserved for predominance of British influence.

M. Clemenceau desired to have the Armistice signed on French, and not on German soil.

This fact was revealed by *Le Matin* on September 30, 1921. Shortly before November 11, 1918, when General Foch had said : « I can make whatever sort of peace is desired », M. Poincaré, three prominent military leaders, the President of the Chamber of Deputies and the President of the Senate were agreed that, even at the cost of certain sacrifices, the struggle ought to continue and terminate only with the total defeat of Germany.

« But, » — to quote *Le Matin* textually, « at this point *M. Clemenceau intervened, doubtless under the influence of Mr. Lloyd George*, who, even at that time, did not look favorably on too great a French military victory. His intervention took the form of a letter, in which he declared that he would tender his resignation if the President of the Republic, encroaching upon his authority, did not allow him to be the judge of the opportuneness and terms of the Armistice... The enemy was still on the soil of

France. It was out of the question to precipitate a Ministerial crisis, and to precipitate it upon the initiative of the Government leader, without creating the most dangerous moral unrest. Moreover, M. Clemenceau had obtained such influence over the people that it was impossible to affect it in any way. M. Raymond Poincaré could not insist; he did not insist.....

« And that is the reason why the Armistice was signed on November 11, *on French soil.* »

If M. Clemenceau's action were the result of Mr. Lloyd George's influence, it would be another fact in harmony with our hypothesis of a secret agreement.

As soon as the Armistice of November 11, 1918 was signed, many Englishmen, both military men and civilians, made their way into Germany, particularly by way of Holland, in order to transact business there.

This fact cannot be denied. Mr. Rudolf Mosse, director of the *Berliner Tageblatt*, stated in January, 1920, to M. Maxime Baze : « *As soon as the Armistice was signed, they* (the English) *sent commercial and industrial missions into every part of Germany.* (Cf. *Le Journal d'Alsace-Lorraine*, January 28, 1920.)

During this period, *which commenced immediately after the Armistice*, the Germans began their systematic campaign of corruption. They

offered the English — and Americans also, but that part of it has no bearing on the subject under discussion — the opportunity to acquire interests in German business enterprises. They called attention to the fact that such investments would be particularly advantageous owing to the depreciation of the mark, and to the comparatively large number of marks which could be purchased, even at that time, with a pound sterling.

It is very easy to explain this manœuvre on the part of the Germans. By financially interesting Englishmen and Americans in large German enterprises, they would be interested in the prosperity of these enterprises. In this way they created important financial groups, close to the Administration at Washington, and especially close to the Government at London, which were interested in screening German industry — and consequently Germany herself, as Germany is essentially an industrial country — from paying reparations that would be really adequate.

The Germans' gamble on the cupidity of British and American financial groups succeeded even beyond the expectations of Berlin. As M. Marcellin stated formally in *La République Française* : « It is a known fact that since the Armistice Englishmen have acquired large interests in important German enter-

prises... » (Quoted by *Le Matin*, September 19, 1921).

And nevertheless the *London Gazette*, the official British journal, stated formally that January 10, 1920 was the official date of the termination of the war between Great Britain and Germany.

Consequently, all the interests which Englishmen or British groups acquired in German enterprises prior to that date, i. e. during the period in which a state of war was still in existence between Great Britain and Germany, were acquired under conditions absolutely contrary to the rules of international law.

Furthermore, such acquisition of interests constituted highly improper acts, inconsistent with the loyalty due France and other Continental Allies, who had a right to reparations, because the effect of such interests was to enable a very substantial part of the German wealth, which could and should have constituted the basis and pledge of the reparations, to be saved from this liability.

But the point which I wish particularly to bring out is the fact that a great number of Englishmen, friends of Mr. Lloyd George's Government, were able to go into Germany and trade freely, *as soon as the Armistice was signed*. Naturally, they could not have done this without British passports, and the British

authorities could not have delivered these passports for Germany, at such an abnormal time, unless they had received formal orders to that effect.

Inasmuch as the British administrative authorities do not move any more rapidly than those of other countries, it is evident that if they were able to deliver such passports *as soon as the Armistice was signed*, they must have received orders to do so *before the Armistice*. Consequently, these conclusions, which are logically drawn from well-authenticated facts, would tend to prove that Mr. Lloyd George's Government had resolved, *as soon as the Armistice was signed*, to favor the resumption of commercial relations, and consequently to pay no further attention to the state of war existing with Germany. Now, the only explanation of such a decision would be that a secret understanding, in an embryonic stage at least, was already in existence *before* the Armistice, between the Germans and those close to Mr. Lloyd George.

VI

A close study of the Versailles Treaty is highly interesting from the viewpoint of the hypothesis of a secret Anglo-German understanding.

Naturally, the Germans keep protesting against

the treaty, because that is part of their game, but the more one examines that instrument, the more one is brought to the conclusion that the Germans had a much greater hand than the French in drawing it up.

It was possible to accomplish this paradoxical result in the following way.

The Pangerman leaders prepared a project for a peace treaty at the same time they prepared the Armistice. They came to the Peace Conference with the project of a treaty which had been carefully studied out, with a view to giving the Allied peoples, on paper, a sufficient appearance of victory. At the same time the instrument contained delays making it possible to organize the artificial bankruptcy of Germany, as well as clauses and subtle formulas, enabling them to discuss the interpretation of the texts *ad infinitum*, and to postpone substantial reparations. The purpose of these tactics was to enable them to reach the time when, by means of proceedings that will be explained later on, it would be possible to recover the territory which, for the time being, they had been compelled to give up.

Naturally, the Germans themselves did not submit their tentative plan of a delusive treaty, nor were they able to have the fallacious clauses they had prepared adopted in their entirety. However, thanks to the support and accomplices

they already had in the groups surrounding Messrs. Wilson and Lloyd George, they succeeded in having inserted into the Versailles Treaty a considerable number of their deceptive or dilatory clauses.

And this is the real explanation of the enormities and aberrations contained in that Treaty. Four examples of these follow :

First example. The occupation of the Rhine by the Allied troops is intended to guarantee the reparations due from Germany. But the cost of such occupation is to be deducted from these reparations. (Art. 235.) Result : the reparations are eaten up by the guarantee.

Second example. The system for determining nationality in Alsace-Lorraine has been organized in such a way that the Germans have the means, *despite the French Government*, of obtaining French naturalization for as many Germans as they deem necessary for preparing the return of Alsace-Lorraine to Germany. (See p. 201.)

Third example. By articles 225 and 226 the Allied Governments bind themselves « to respect and care for the graves of soldiers and sailors buried in their respective territories », the German Government assuming a similar engagement as regards the graves of Allied soldiers and sailors. However, in Germany there are only twenty thousand graves, those of French soldiers who were taken prisoner and died there. On the

other hand, inasmuch as the war was carried on in the invaded regions of France, these regions contain the graves of four hundred and sixty thousand German soldiers. It cost France one hundred and twenty-three million francs to put these graves in order after the Armistice; an amount the country has had to expend without receiving any equivalent. Now, *Articles 225 and 226 are copied, purely and simply, from the corresponding articles of the Treaty of Frankfort.* (Cf. *Le Matin*, October 17, 1921.)

FOURTH EXAMPLE. In the Treaty of Versailles, those portions dealing with reparations are exceedingly peculiar.

Whenever a definite obligation is imposed on Germany, it is followed by clauses which lessen its precise application or which give Germany an opportunity of avoiding or evading it.

Art. 232 states: « The Allied and Associated Governments, however, require, and Germany undertakes, that she will make compensation..... for all damage as defined in Annex I hereto. »

But this schedule starts off with the words: « *Compensation* MAY *be claimed from Germany.* » It is evident that the word « *may* » is of infinitely less weight than the word « *shall* ».

Article 233 stipulates: « The amount of damages shall be fixed by..... the Reparation Commission, and adds: « *this Commission..... shall give to the German Government a just opportunity*

to be heard. » Thus the greatest care is taken to specify that Germany can present her side of the case, and at the same time France is reduced to total powerlessness by the very fact of the Reparation Commission having been organized.

Article 234 stipulates : « *The Reparation Commission shall..... from time to time, consider the resources and capacity of Germany, and after giving her representatives a just opportunity to be heard, shall have discretion to extend the date and to modify the forms of payments.....* » This formidable arrangement makes it possible to hoodwink France constantly, by continually putting off the real payment of the reparations. This is the clause which made it possible for Mr. Lloyd George to impose a moratorium on France in favor of bankrupt and cynical Germany. As a result of this manœuvre, Germany will pay nothing up to the time when she is strong enough to refuse to pay anything whatsoever.

Article 235 provided for the payment of twenty billions of gold marks before May 1, 1921, deduction having been made of certain payments in kind. Later on, the reader will see what has become of that obligation.

Annex II contains exceedingly curious arrangements. In Section 2 it stipulates : « *On no occasion shall the Delegates of more than five of the above Powers have the right to take part*

in the proceedings of the Commission and to record their votes. »

This arrangement means that France is obliged to submit to the will of the majority, which is made up of Great Britain, Italy and Japan. Japan being England's ally, cannot, practically speaking, do otherwise than vote with the latter on the Reparation Commission. Now if, hypothetically, England has a secret understanding with Germany, even a tacit one, it is evident that under these conditions the Treaty becomes an instrument for hoodwinking France.

It is well to note further that this instrument bars from the Reparation Commission such Powers as Poland, Czechoslovakia, Yugoslavia and Roumania: countries to whose interest it would be to have reparation made to France, in order that their own independence might be assured. Thus it would seem that the most elaborate precautions have been taken to tie France hard and fast.

Section 9 says: « *The Commission shall be required, if the German Government so desire, to hear evidence and arguments on the part of Germany, on any question connected with her capacity to pay.* » This is still another means of enabling Germany to escape payment.

Section 11 says: « *The Commission shall not be bound by any particular code..... It will establish rules relating to the methods of proof*

claims. It may act on any trustworthy modes of computation. »

Section 12 stipulates: « *The Commission shall in general have wide latitude as to its control and handling of the whole reparation problem.*

Section 21 adds: « *No member of the Commission shall be responsible except to the Government appointing him.* »

The text of these three paragraphs enables one to grasp the fact that such tremendous power has been attributed to the Reparation Commission that practically, this power constitutes an infringement on the sovereignty of the nations which agreed to form said Commission. But, as a matter of fact, this infringement would injure no country but France if, according to our hypothesis, a secret Anglo-German understanding existed.

These paragraphs, which evince such a constant solicitude to reserve for Germany « a just opportunity to be heard », give an impression of systematic favoritism to Germany, the author of the war, and an impression of a desire to tie France's hands. But, so as to be sure of making no mistake as to the spirit of these clauses, we shall investigate the manner in which they have been applied. This verification by the facts themselves will prevent all possibility of error, as regards the spirit which should be attributed to the clauses of the Treaty.

The Clemenceau-Lloyd George Agreement of December 15, 1919.

Le Matin, on September 20, 1921, revealed an exceedingly strange secret agreement.

Six months after the Versailles Treaty was signed, and five weeks before the Presidential election, M. Clemenceau, on December 12, 1919, went to London for the purpose of engaging in mysterious negotiations with Mr. Lloyd George. These resulted in the agreement of December 15, 1919, which never was submitted, either to the Chambers or to the country. It never appeared in the *Official Journal*. « Once more », observes *Le Matin*, « France's resources and France's rights were disposed of, without condescending to let the nation know anything about it. »

In particular, this agreement stipulates :

Art. 3. « *that the General Secretary of the Reparation Commission shall be British.*

Art. 4. « *that the payments to be made by Germany shall be applied, in the first place, to the payment of the cost of the armies of occupation and of such supplies of provisions and raw materials as shall have been granted to Germany in the conditions provided for by the Treaty ; in the second place, to the payment of the Belgian priority. When this application has been made, a proportionate distribution of*

all the payments made by Germany, including payments in kind, shall be made. »

This agreement stipulates that the General Secretary of the Reparation Commission, who, by virtue of his office, is the master spirit of the Commission, *must* be British. Later on we shall see what the practical result of the action of this British General Secretary has been, as regards France.

Article 4 gives priority to the payment of the armies of occupation, then to the payment of supplies furnished to Germany, thirdly to the Belgian priority, and finally, *if any money is left*, the reparations as regards which France may claim something. In practice, however, France will obtain nothing, because Article 4 says nothing about what rates shall be fixed for the cost of the armies of occupation, « each country is free to estimate them at the amount that best suits itself. And the result of this mystifying business is that, on May 1, 1921, the eight thousand British soldiers stationed on the Rhine had cost 2,650 millions of francs, while the seventy thousand French soldiers had cost only 2,300 millions. » (*Le Matin*, September 20, 1921.)

Consequently, the agreement of December 15, 1919, which Mr. Lloyd George was able to impose on the inconceivable weakness of M. Clemenceau, was of great assistance to

England in enabling that country to award herself the greater part of the first and only billion paid by Germany in August, 1921; and at the same time to prevent France from touching a pfennig of it under the head of reparations.

The Reparation Commission has all the powers that have been conferred on it by the Treaty, but M. Clemenceau's interpretation of these powers singularly lessens their efficacy.

At the session of the Chamber on May 20, 1921, M. Loucheur, Minister for the Liberated Regions, declared : « *We have been blamed for having lessened the powers of the Reparation Commission. In this respect, M. Tardieu has forgotten a highly interesting document : M. Clemenceau's letter of advice, in which it was stated that the Reparation Commission could not interfere in Germany's internal affairs.* » (Cf. *Le Temps*, May 22, 1921.)

By this agreement « not to interfere in Germany's internal affairs », the so-called powers of control of the Reparation Commission are rendered illusory. For instance, the application of this formula means that the figures for German exports are known to the Allies through the declarations which the Berlin Government sees fit to make regarding them. Is there very much chance of these figures being correct, considering the German's skill in camouflage, and

the fact that the amount of exports is to serve as a basis for the most substantial part of the reparations? But, to organize a complete and systematic control of German Customs — the only efficient method of control under the circumstances — would mean « interfering in Germany's internal affairs ». It would be necessary to know what influence M. Clemenceau was under, when he wrote that singular letter of advice, which tends to afflict the Reparation Commission with congenital impotency.

Results of the functioning of the Reparation Commission.

Le Matin, on August 16, 1921, established some highly interesting facts regarding this matter, which it properly considers as mysterious.

On the Reparation Commission, France has one vote out of five, whereas, by the admission of her Allies, fifty-two per cent of the interests under consideration are French. Consequently, the Reparation Commission is the only stock company in which the owner of 52 % of the stock has only 20 % of the voting power, when a vote is taken at the stockholders' meeting.

M. Jules Sauerwein, the author of the article, goes on to say :

« The Reparation Commission is preparing

the ground for France's bankruptcy, by means of proceedings more complicated than any thus far known, and of which the Commission is proud. *Out of more than one thousand decisions rendered up to the present time, not one has brought a single franc into the French Treasury.* »

Up to the present, the French nation has received « used railway material when Germany is about to instal new material, several merchant vessels averaging twenty years old, when Germany, in two years, is going to have a fleet of the latest model. » Germany « *has paid scarcely one-half of the twenty billions of gold marks which she was to have paid before May 1, 1921.* (*Art. 235, Cf. p.* 156.) *She has been discharged from the obligation of paying the rest, whereas France has been released from none of the priorities and servitude, which would have been hard to bear if the twenty billions had been paid in full, and which are intolerable after Germany's non-accomplishment.* »

« *Germany has thirty-seven years in which to pay her one hundred and thirty-two billions, which are reduced to one hundred and twenty billions in view of the fact that the Reparation Commission has based its calculation on the damages caused, not only by Germany, but by her Allies. Consequently Italy, to quote no*

further instance, demands and obtains that her worthless credits with respect to Austria, Hungary and Bulgaria be imputed to the German total : hence twelve billions to be deducted from the sums on which France's percentage is based. »

Because of priorities which benefit no one except France's Allies, that country will not receive a pfennig until August, 1922. On the contrary, she will have to contribute money. »

Another highly important fact has been established. The wording of the Versailles Treaty, combined with the extraordinary slowness with which the Reparation Commission, practically governed by its British General Secretary, set about making the valuations which were to have been completed before May 1, 1921, have been of considerable assistance to Germany in enabling her to arrange her affairs in such a way as not to pay.

M. André Sayous, one of the French financial experts, has set forth very succinctly in a pamphlet, the formidable consequence of the disquieting slowness of the Reparation Commission. « What should have been done », says M. Sayous, « would have been to watch Germany closely, and to compel her to make the first payments (Art. 235 of the Peace Treaty) out of her existing wealth, before she had a chance to hide it, or partly scatter it... » Basing its conclusions

on these authenticated facts, *Le Matin*, in its issue of October 1, 1921, remarked : « In fact, while M. Clemenceau was palavering interminably with Mr. Lloyd George, and while the Reparation Commission was proceeding, with sage deliberateness, to the valuations so dear to M. Tardieu, Germany ,on the other hand, was organizing the disappearance of her private capital ; as early as the month of February, 1919, foreign securities, representing a respectable number of billions of gold francs, had taken the route to Holland or Switzerland...

« If, beginning in 1919, instead of yielding to empty abstractions, we had seized all the elements of wealth to be found in Germany, in the first place we would have laid hold of important and precious pledges.....

« Such is M. Andre Sayous' thesis, which is that of common sense.

But the best is yet to come. *The negotiators inscribed a date in the Treaty : that of Germany's first payment. And that date was May, 1921, two and one-half years after the Armistice was signed, an event that took place in France and not on the territory of the losers.*

« *What, therefore, were the plans of Messrs. Clemenceau and Lloyd George at that time?*

« *The result of it* », *Le Matin* concludes, « *is that today, when we hear the* « *organized bankruptcy* » *of Germany discussed, we know who*

are responsible for it. The authors of the Peace Treaty. They have done all that was necessary to enable Germany to prepare her fraudulent bankruptcy. They have allowed her all the time she required to send away her cash and hide her funds. In a word, they were the real organizers of the enemy's bankruptcy. »

Inasmuch as these various conclusions have been deduced from numerous and irrefutable facts, let us conclude. Suppose that Mr. Lloyd George has labored ever since the Armistice, in the first place, to have tricky clauses, helping Germany avoid reparation, inserted in the Versailles Treaty. Suppose furthermore that after the Versailles Treaty, Mr. Lloyd George's instructions, given to the British General Secretary of the Reparation Commission, have practically resulted, as *Le Matin* observes, in giving Germany time to organize her fraudulent failure, and consequently to prevent the functioning of the reparations due France. Could this desire on Mr. Lloyd George's part, lasting for so long a time, be explained in any other way than by a secret Anglo-German agreement, in accordance with our hypothesis?

Again, how else can we explain the fact that, on August 10, 1921, Lord Curzon did not hesitate to ask the Supreme Council at Paris to suppress all control commissions in Germany, when it is nevertheless known that the so-called

Republican Government of the Reich is preparing to mobilize an army of seven million men? (Proofs furnished by M. André Lefèvre, at the session of the Chamber of December 8, 1921.)

Further than this, there are many Englishmen who realize thoroughly the immense harm done to France by Mr. Lloyd George's policies. They deplore it bitterly, in the first place through loyalty, and secondly, because they are aware that such a policy, in the long run, will prove fatal to Great Britain.

The *Times* knew very well what it was saying when, on July 13, 1921, it stated that if England counts in her public life a great many men « whose outstanding qualities are rectitude and uprightness, Mr. Lloyd George is not among the number. » (Quoted by *Le Matin*, July 15, 1921.)

To sum up the truth in a word, *the peace has not been an honest peace*.

If we wish, all of us, to make our way finally out of our difficulties, the first thing to do is to face the situation.

Who will now believe that the essential clauses of the Versailles Treaty, all of which tend to exonerate the Germans and to burden France, are in this Treaty through the mere happening of Chance?

To every man of good faith and sane intelligence, the Versailles Treaty will appear more

and more as the logical complement of the frightful duplicity of the Armistice.

There are innumerable facts, all leading to the same conclusion : « the Armistice trick » has resulted in a veritable betrayal of the most legitimate hopes of the people of the Allied countries.

CHAPTER IV

HOW THE ACCOMPLISHMENT OF THE PANGERMAN PLAN HAS BEEN SOUGHT SINCE THE ARMISTICE.

I. **Proofs that such is the case.**

II. **The five principal elements of the program of the Pangerman leaders:** 1st, to bring about the artificial bankruptcy of the German Government in order to cause the real bankruptcy of France ; 2nd. to reunite Austria to Germany ; 3rd, Surreptitiously to help Hungary, Bulgaria and Turkey to recover their lost territory ; 4th, to insure henceforward the hegemony of Germany over Central Europe by economic measures, particularly by artificial pressure on foreign exchange ; 5th, to consolidate the German seizure of Russia, and at the same time to dissimulate the move so far as possible.

III. **The two principal means of transforming Germany's military defeat into a Pangerman victory :** 1st, to evade reparations, in order to retain for Germany the benefit of the differences in her favor created by the war ; 2nd, to restore to Germany and her Allies the ceded territory by means of the territorial and dynastic « plebiscite trick ».

I

The map of the Pangerman plan of 1895, reproduced on page 90, enables us to establish the fact that Lithuania, Lettonia, Estho-

NORTH SEA
Kiel
Lubeck
Hamburg
Bremen
Hanover
Amsterdam
the Hague
Osnabruck
Magdeburg
Berlin
Antwerp
Dortmund
Brussels
Cologne
Frankfort
Mainz
Nuremberg
Luxemburg
Reims
Ratisbon
Strasburg
Danube
Dijon
Basel
HOLLAND
BELGIUM
FRANCE
GERMANY
PROJECTED SYSTEM
OF GREAT CANALS
IN CENTRAL EUROPE
1 Connecting the Rhine and Danube by performing the necessary work in the Main and digging a new canal from the Main to the Danube.
2 Completion of the "Middle" Canal, connecting the Rhine and the Vistula.
3 Construction of a canal from the Oder to the Danube connecting the Baltic and the Black Sea.
4 Necessary work on the Rhine, insuring navigation between the Dortmuns-Ems Canal and Basel.
5 Extension of the Weser to the Main by the Fulda-Werra river.
6 Connecting the Elbe and the Moldau
7 Extension of the Oder-Danube canal as far as Cracow, on the Vistula.
8 Extension of the same canal from Cracow to the Dniester.
9 Necessary work on the Save, whence a canal is to extend to Fiume, on the Adriatic.
10 Necessary work in the Morava and the Vardar as far as Salonica.
0
310 Miles

nia and Finland are destined in advance to become satellite States of the Germanic Confed-

eration. Hugo Stinnes is actively engaged in bringing this about.

He was present at a « North Week » (*Nordische Woche*) which was held at Lubeck from September 2 to September 10, 1921. This conference, to which the representatives of the Baltic States had been especially invited, had as its object the seeking of practical means by which to assure the bond existing between Germany and Russia.

As the plan is to utilize and subjugate Poland, the Germans who are in that country are invited to stay there, in order that they, too, may be used as a bridge towards the East. With that end in view, they are guaranteed important financial assistance by the *Deutschenhilfe* (German Aid) Society, which is presided over by Marshal Hindenburg.

A highly significant feature is the resumption of the general plan of canals to be constructed in Central Europe. This plan was formed before the war, with the assistance of the great Pangerman societies. Poverty-stricken Germany has made an estimate of three hundred million marks for the completion of the *Mittellandkanal*, which will allow of Eastbound transportation, on an intensive scale, of coal and iron from the Ruhr.

In 1921 the *Neckar-Aktiengesellschaft* of Stuttgart raised a loan, guaranteed by the Reich, for the construction of the Neckar Canal, which will cost two billion marks. This loan nets five per cent.

On July 5, 1921, the Central Association of German River Navigation, the Main-Danube Union and the Germano-Austro-Hungaro-Swiss Union for River Navigation held a congress at Munich, for the purpose of creating a system of interior navigation uniting the North Sea and the Black Sea, by way of the Rhine, Main and Danube. This canal will permit the cheap transportation of coal from the Ruhr to Austria and Hungary, in boats of from 1200 to 1500 tons capacity. The commercial influence of Germany will spread directly over Jugoslavia and the Balkans. The cost of the work, in German territory, is estimated at 686,000,000 gold marks.

The political significance of this congress was completely evidenced by the fact that the opening session was presided over by Hugo Stinnes, Pangermanism incarnate, assisted by von Kahr, President of the Bavarian Council, and General Grœner, Minister of Communications of the Reich, both of whom are exceedingly prominent Pangermanists.

Le Temps, in its issue of November 16, 1921, called attention to the map of Germany and neighboring countries, published by the Pangerman association *Sudmark* (The Southern March).

This map not only re-claims all the territory lost by Germany, but represents as German

countries : German Switzerland, Luxemburg and the « Saxon » regions enclosed within Hungary, Jugoslavia and Roumania. It claims as « other Germanic countries » the Netherlands; Northern Belgium as far as, and including Brussels ; Denmark, Sweden and the islands of the Baltic.

Taken all in all, the pretentions which this 1921 map reveal coincide with those of the Pangerman plan published in 1895. (See p. 90.) The daily news despatches enable the reader to realize that the so-called Bolshevist activities and the Panislamic propaganda in Asia, India, Egypt, Tunisa, Algeria and Morocco are in exact conformity to the needs of the accomplishment of the plan of tri-Continental Pangermany. (See map, p. 82.)

Even in the United States, Pangermanist activities have revived and shamelessly avow their object.

On November 10, 1921, *Germania*, a German newspaper attached to the party of that good Republican (!) Dr. Wirth, stated : « The German-Americans, too, in the near future, will claim for themselves the right of self-determination. When that time comes, the world will be surprised to learn that the population of the State of Wisconsin, for instance, is thirty per cent German and that the States of New York, Illinois, Iowa and Missouri are nearly twenty-five

per cent German. The desire to unite the Germanic elements into a political nation has been awakened. »

This German action in the United States has been foreseen for a long time past. (See map on page 84.)

As a result of his painstaking investigations in Germany, Lieutenant-Colonel Reboul stated in *Le Temps*, April 10, 1921 : « *Germany's statesmen and her business men are not losing sight of the old war-aims. They are forever dreaming of creating Mitteleuropa by having Germany gradually annex certain Powers situated along the Danube. They wish to transform Eastern Europe into a vast Germanic colony for purposes of settlement and colonization. They think of establishing themselves in the devastated regions of France, and under pretense of reparations, of flooding them with goods and especially with German workmen who, once their work is finished, will remain permanently in the country.* »

The predominance of Pangermanism as a directive activity in Germany has become so manifest that a German Communist group (in reality a group of advanced Socialists), admitted : « *If some outside event does not occur to modify the situation, it will not be long before Germany will again become like a nationalist grip, holding in slavery its own proletariat, and it, in turn, just as it did before, will threaten the*

liberty of its neighbors and of the whole world. »
(Quoted by *L'Eclair*, June 21, 1921.)

II

The present Pangerman program admits of five principal objectives.

First objective : To bring about the artificial bankruptcy of Germany in order to cause the real bankruptcy of France.

M. de Guillerville, who was sent to Berlin by *Le Temps* on a special mission, sent that paper a series of very remarkable articles which, unfortunately, did not obtain the attention they deserved. In these articles he shows that he is thoroughly conversant with the German manœuvre, and describes its general outlines as follows : « Germany is ruining herself, speaking from a Budget standpoint; she is dissembling and denaturing her personal property and sending it into a place of security. We believe that we are at peace; we, the Allies, do not see that the enemy, without letting up, without taking a breathingspell for a single day, is waging a war as implacable as the other against us : a financial war. He reckons on holding out longer than the Entente, and eventually on gaining, on this new financial battle-field, the famous quarter of an hour which will decide every-

thing. » (Cf. *Le Temps*, February 23, 1921.)

Let us carefully examine the manner in which they are putting these tactics into operation.

Inasmuch as the Versailles Treaty has guaranteed the Pangerman leaders all the delay necessary in order to organize the bankruptcy of Germany, they have set to work systematically, so as to make the German nation insolvent, and, insofar as possible, not distrainable.

We can distinguish six principal methods used, in order to attain this result.

First method. — Since the Armistice, the German State has spent enormous sums for public works : the highways have been rebuilt, railway stations and railways improved, and canal construction resumed. An automatic telephone system has been installed in Munich and operates to perfection. On February 23, 1921, the Reichstag voted twelve billion marks, to be placed at the disposal of the company which is charged with rebuilding Germany's merchant marine. Under the most varied forms, the greatest possible amount of German money has been incorporated either into the land itself, or into equipment for producing the greatest possible results from the productive forces of German industry.

Second method. — Under the benevolent eye of the Government, the capital which it would be possible for the Allies to seize is being sent out of Germany.

In June, 1920, the Berlin *Freiheit*, under the heading : « Ludendorff's agents are organizing the exodus of capital », informs us that a bank, founded by Baron Dr. von Sinner, a Swiss subject, was formed in Berlin in the early part of 1919, for the special purpose of sending German capital abroad. (Cf. *Le Temps*, June 6, 1920.) Every possible means is employed to arrive at this result. At the present time the banks in the neutral countries are glutted with German gold.

Third method. — There is a third method, which produces even better results. The colossal profits realized by the Pangerman captains of industry as a result of the privileged conditions of production gained through the amazing political policy of the Allies, are not allowed to be brought into Germany.

The mechanism of this operation is simple enough, although its results are tremendous. Despite the various increases in wages received by German workmen, these wages, which are paid in marks, still remain comparatively lower than those paid in other countries. Consequently, German manufacturers' costs of production are much lower than those of manufacturers in the Allied countries. The German manufacturers sell their products abroad at prices infinitely higher than they could obtain in Germany, and are paid for these products in foreign money : French francs, Belgian francs, Swiss francs,

pesetas, florins, pounds sterling or dollars. In this way, since the Armistice, they have realized net profits running into billions, and these profits, in pounds sterling and in dollars, are deposited principally in the banks in the neutral countries but also in the British and American banks.

Consequently, German goods which have a certain gold value are exported from Germany, but the equivalent gold value does not go back into the country. In this way the total wealth of Germany is being constantly lessened, to the great disadvantage of the masses of the German people, who are suffering more and more from the depreciation of the mark. At the same time, this proceeding is to the advantage of the colossal fortunes of the Pangerman captains of industry. These fortunes are constantly growing, by the addition of foreign money possessing a par value, and carefully deposited in a safe place in the banks abroad.

Fourth method. — The German nation has issued a vast amount of paper money; this operation is ruinous to the Government, but highly advantageous as a means of enriching the Pangerman manufacturers. (See p. 215.)

Fifth method. — At the same time that it has issued this vast amount of paper money, the German Government has refrained from collecting a very considerable portion of the taxes. In

these circumstances, its deficit is as inevitable as it is large.

Sixth method. — They have exhausted their ingenuity in transferring from the German Government into other hands the real pledges which the French might seize. This result has been brought about gradually. In the first place, immediately after the Armistice, Hugo Stinnes set about inducing English and American financiers to acquire interests in German enterprises. At the present time, Stinnes is going much further than that. He is trying to have the German Government railways transferred to private companies formed by the Pangerman captains of industry. These, in turn, are to transfer an interest in these companies to British capitalists, in order that the latter may have an interest in opposing French claims.

An international loan guaranteed by German property — a loan, the ostensible object of which would be to enable Germany to take care of one or two reparation instalments — would be based, fundamentally, on exactly the same objective.

The use of these six methods has made it possible to bring about the virtual bankruptcy of the German Government, but, as has been most accurately explained by M. de Lasteyrie, the French Chancellor of the Exchequer, this bank-

ruptcy is purely monetary and in no wise economic. The economic industrial prosperity of Germany is so great, in reality, that the Germans cannot refrain from proclaiming it broadcast.

Maximilian Harden, in his review, *Zukunft*, July, 1921, has already called attention to the immense private deposits in the large banks and savings banks, and to the systematic dissimulation of the huge profits made by Big Business. (Cf. *L'Eclair*, July 19, 1921.)

Alfred Lansburgh, the economist, in the Berlin financial review *Die Bank* admitted that owing to the exceedingly healthy condition of German private industry, Germany can very well afford to pay three billions of gold marks annually, on account of reparations. (Quoted by *Le Journal d'Alsace-Lorraine*, March 29, 1921.)

Major Lindsay Bashford, for many years an expert on German affairs, after an investigation made in 1920, stated, in an article in *Nineteenth Century and After :* « There is no doubt whatever that Germany can well afford to pay. » (Quoted by *L'Intransigeant*, January 30, 1921.)

In order to make France's bankruptcy more certain, the Pangerman leaders conceived an idea, the diabolical character of which was equalled only by its audacity. This idea was to use their influence in France towards having that country loan money to Germany's Allies,

in order to enable them to rehabilitate themselves as speedily as possible. This, instead of consolidating her own Allies in Central Europe: an act that would be in France's highest interest. However improbable this attempt may seem, it has been made, and has even obtained a certain degree of success. In the early part of 1921, while in Budapest, I learned that one hundred millions of French money have been loaned to large Magyar banks which have always been pro-German.

In 1920-1921 there was a tremendous amount of propaganda, the purpose of which was to make France believe that she ought to loan money to Austria, if she wished to prevent that country from resuming her connection with Germany. My investigation at Vienna convinced me that a French loan to Austria would be only another burden, increasing France's chances for going bankrupt, and would in no wise prevent Austria from resuming her connection with Germany. This last-mentioned matter is being artificially prepared by the propaganda of Hugo Stinnes and other Pangerman leaders.

Nevertheless, this manœuvre has been partially successful.

The French Government decided, in June, 1922, to advance 55,000,000 francs to Austria. Following the Franco-Turkish agreement negotiated by M. Franklin-Bouillon, there was a

question of a loan of six million Turkish livres. This loan the Kemalists endeavoured to float in France. (Cf. *The Times*, quoted by *Bonsoir*, October 28, 1921.) There has also been a question of a Bulgarian loan in Paris; but this piece of news has been contradicted. Still more outlandish is the question of a French loan to Soviet Russia, made public by Krassin himself. (Cf. *Le Petit Parisien*, September 25, 1921 and p. 247.)

However this may be, it is evident that if France really became bankrupt as the result of the artificial bankruptcy of Germany, the latter's triumph would be sure, for on the day that Germany is freed from reparation, she will benefit more than ever by the economic differences created in her favor by the war.

Moreover, if France should fall, it would mean the inevitable ruin of every nation in Europe that is threatened by Pangermanism.

Were this to come to pass, the highly successful coup of Wilhelm Second's advisers would have been brought about by a diabolical stroke of genius, based on the political sciences. For the conception of this double-acting manœuvre — Germany's artificial failure, leading to the real bankruptcy of France — is founded, as has just been shown, on a combination of economic calculations and previsions which possess unquestionable scientific value.

Second Objective. To reunite Austria to Germany.

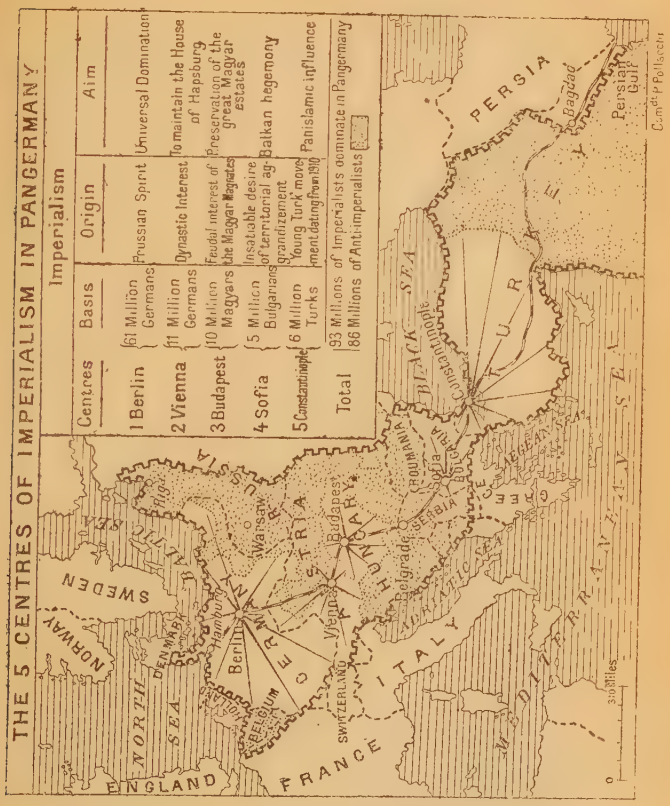
This move, which has been powerfully organized by the constant activities of the newspapers bought by Stinnes, is artificial, for without this systematic propaganda the majority of the Austrians would not think of reuniting their country to Germany, but the inconceivable weakness of the Allies towards Germany favors this movement, which, towards the close of 1922, took on renewed vigor.

Third Objective. Surreptitiously to help Hungary, Bulgaria and Turkey to make preparations for recovering their lost territory.

It is self-evident that the solid political crystallization and real economic independence of the new States: (See map: *The anti-Pangerman Continental Entente*, p. 388.) Poland, with a population of 30,000,000; Roumania, 17,000,000; Czechoslovakia, 14,000,000; Jugoslavia, 14,000,000; Greece, 8,000,000, forming a total of 83,000,000 Europeans to whose vital interest it is to be anti-Pangerman, would not stifle Germany's national existence, but would make it impossible for that country to cherish any ambition of a really Pangerman character.

The Pangerman leaders, knowing that these

Slav and Graeco-Roman races are passionately attached to their independence, are already ruminating a project of conquering them anew



in the near future. This could be brought about only by the existence of a Pantouranian and Panislamic movement, consequently an anti-Slav and anti-Graeco-Latin one, which, even

before the war, was recognized as being indispensable for making Central Pangermany possible. Now this Pantouranian and Panislamic movement requires the reconstruction of Hungary, Bulgaria and Turkey. For the reasons recalled by the map on page 185, the Magyars, Bulgarians and Turks form they only possible support for such a movement. They constitute the sole ethnographic bases that are possible for bringing into permanent being Mitteleuropa and the Hamburg-to-Bagdad plan.

Consequently, ever since the Armistice, the German agents in Budapest are working with ever-increasing boldness.

Among the Kemalists, they work especially through the medium of the Bolshevist leaders in Moscow. In Bulgaria, they are operating with the greatest discretion, for the time is not yet ripe for throwing aside the mask in that country, which still remembers too vividly the suffering resulting from her entrance into the war on Germany's side.

Fourth Objective. Pending the territorial materialization of Pangermany, to insure henceforward the hegemony of Germany over Central Europe by economic measures.

This result is already practically attained, owing to the action of the German banking power in artificially depressing exchange in the

Slav and Latin States of Central Europe. (See Chapters VII and VIII.)

Fifth Objective. To consolidate the German seizure of Russia, and at the same time to dissemble the move so far as possible.

The demonstration of this seizure is so important that Chapter VI has been entirely devoted to it.

III

In order to transform Germany's military defeat into a Pangerman victory, the German leaders have recourse to two methods of procedure: one is applied to matters of a financial nature, the other to questions of territory.

First procedure. To evade reparation, in order to retain for Germany the benefit of the differences created in her favor by the war.

On the occasion of my investigation in the Rhineland, towards the end of September, 1919, I was told by an earwitness that on September 15, 1919, at Cologne, Herr Stegerwald, at that time Government Minister of Social Economy, addressing the Rhenish representatives, formally declared: *The Treaty of Versailles is nothing but a scrap of paper. What does it matter whether we have signed an agreement to pay*

three or four hundred billion marks. We will not pay a pfennig of it. Now that Germany is re-victualled, she will refuse to fulfil any of her engagements.

Herr Stegerwald's opinion is that of the immense majority of the Germans, especially the manufacturers and middle-class people, nearly all of whom are Pangermanists. This is the same opinion that Herr Helfferich, speaking in January, 1921, summed up when he said : « Germany owes nothing. »

In the practical application of these absolute formulas, the Pangerman leaders admit that it will be necessary, for tactical reasons, to make a few small reparation payments, but in manœuvring at the same time in such a way that France shall receive the least possible part of it.

In order to accomplish this result, the Germans, ever since the Versailles Treaty, and with the material assistance of those Allied financiers with whom they succeeded, in an underhanded way, in concluding a secret agreement, have multiplied their dilatory measures. There has been nothing but conferences, propositions, counter-propositions, projects of revision, « elastic windings », the offer to discuss replacing payments in cash by payments in kind, and so on.

On the date on which this book is published, these tactics have been successful. France, as

yet, has received nothing substantial in the way of reparations. Consequently, the first method of procedure, on the Germans' part, has gained its end. In fact. the economic differences created by the war still exist between France, with her thirty-nine and one-half million inhabitants, and a patrimony that has been considerably diminished by the systematic devastation of her Northern Provinces ; and Germany, reduced to sixty-one million inhabitants, but with her patrimony absolutely intact and equipped with the finest instruments of production. If this situation were to continue, France would inevitably become the great victim of the war, condemned to servitude after several years of financial difficulties becoming more and more inextricable.

Second procedure. To restore to Germany and her Allies the ceded territory by means of the territorial and dynastic « plebiscite trick ».

The « plebiscite trick » follows the « Armistice trick ».

This new hoodwinking process is based on a disloyal exploitation of the sound principle : « the right of peoples to self-determination. » This principle was adopted by the Allies during the war in order to determine the political destinies of different races which were intermingled in the same territory.

But a plebiscite is a just proceeding only if it is carried out loyally ; otherwise, it can become a method of distorting the truth.

Knowing better than anyone else to what an extent this can be true, the Pangerman leaders, before the Treaty of Versailles, reasoned as follows :

« Circumstances compel us to delude the Allied peoples into the belief that they have won the victory. To do this, we are compelled to cede a number of territories ; we cannot do otherwise. However, let us reserve ourselves the possibility of recovering them by obtaining plebiscites at those points that are essential for carrying out our political strategy (Eastern Prussia, Upper Silesia).

« Once we have certain plebiscites inserted into the Peace Treaty, it will devolve on us Germans to make use of our superior organization, our knowledge of propaganda and our art of corruption, in order to arrange these plebiscites on a fraudulent basis. A very slight weight suffices to turn the beam of a scale. In order to win a plebiscite, sometimes it is sufficient to change five or ten per cent of the votes. It behoves us to know how to throw that slight weight into the balance of the plebiscites. The results will be fraudulent, but they will constitute for us a truth which, even though it be adulterated, we can nevertheless invoke as

a right and title, all the more valuable because sanctioned by an international control.

« From this first result, we shall derive others. By means of our powerful propaganda, we shall create plebiscites in regions we wish to recover, but in which the Treaty has not provided for plebiscites : Alsace-Lorraine in particular. And by pushing the « plebiscite trick » to the limit, we shall wind up by having our Allies : Austria, Hungary, Bulgaria and Turkey get back the territories they were compelled to yield by the Treaties of Saint-Germain, Trianon, Neuilly and Sevres. « Finally, we shall play the « plebiscite trick », not only as regards territories, but forms of government as well. In this way we will get the best of the new republics which constitute an obstacle to Pangermanism. »

First, let us note on what point this plebiscite theory, which is based, on the whole, on the positive action of a small weight thrown into the pan of a scale, is founded.

No one can deny the great and disastrous importance to the Entente of the restoration of Constantine to the throne of Greece, as the result of the Greek elections held November 14, 1920. Now, out of 850,000 votes, in round numbers, in the whole of Greece, the Venizelists had forty-five per cent, and the partisans of Constantine fifty-five per cent, of the total votes.

It was sufficient, therefore, for the German propaganda, which, by the way, was very

cleverly camouflaged, to alter artificially, through its efforts, only six per cent of the vote, in order to obtain a result that upset and threw out of gear the Entente policy in the whole of

the Orient. (*Note*. As I was in Athens in October 1920, I had observed the exceedingly dangerous character of the propaganda in favor of Constantine. I pointed out its probable success, and the fact that there was no need of being mystified thereby, in an article which appeared in *Le Matin* on November 13, 1920, on the eve of the Greek elections which, later, decided Constantine's return.)

The plebiscite in Eastern Prussia (Mazuria) took place on July 15, 1920. The result was fraudulent, thanks to the assistance given the Germans by the British and Italian representatives. The same thing was true of the plebiscite at Carinthia, in Austria. The plebiscite in Upper Silesia, held on March 20, 1921, gave an altogether false result, owing to the fact that the right to vote was given to persons who were born in Upper Silesia, but who no longer resided there. As this was the case with a great number of Prussian office-holders, this decision was of considerable assistance to the German element, and detrimental to the Poles; the weight necessary to cheat the scale was represented by these emigrants. Despite all this, the Polish majority in Upper Silesia is so real that the plebiscite, even though fraudulent, gave results which made it obligatory to award a certain portion of the country to Poland. Equity was then juggled by another proceeding. As

will be seen by our map (see page 192), the decision of the League of Nations was to award Germany about two-thirds of Upper Silesia, unconditionally; and about one-third to Poland, but with such economic mortgages in favor of the Germans that the latter are certain to retain their positions, even in that part of Upper Silesia which was awarded to Poland.

Preparations for the reconstruction of Austria on a pre-war basis.

Despite the Entente's protests, Stinnes' newspapers and the Pangerman organizations have gone ahead with a voluntary plebiscite in the Tyrol, on April 24, 1921. About ninety per cent of those entitled to vote at the plebiscite, namely, about 125,000 persons, voted to have the Tyrol annexed to Bavaria. The balloting took place after a skilful preparation, the object of which was to suppress all opposition. The printers in the Tyrol refused to print any articles or proclamations opposed to the policy of annexation to Germany.

Again despite the Entente's measures, a voluntary plebiscite was held in the Salzburg region on May 29, 1921. The balloting was so well prepared by the agents of Hugo Stinnes and the Pangerman societies that, out of 102,000 voters, all of whom had been carefully worked on by propaganda, 95,000, or 93 o/o, declared

themselves in favor of annexation to Germany.

A general plebiscite in Austria has not yet been attempted at the time I finished writing this book. Vienna is awaiting a favorable occasion. However, this plebiscite is being prepared with the utmost care.

Preparations for the dismemberment of Czechoslovakia.

In order to accomplish this in conformity to Pangerman needs, as set forth so well by the German agents stationed at Moscow (see page 260), two plebiscites are contemplated. The first is to enable three million Germans, called Bohemians, to ask the Reich for annexation. The object of the second is to annex to Hungary the Slovak territory which is purely Slav, but in which the Magyar Magnates have retained immense estates.

The success of these two plebiscites, at an opportune moment, will put an end to the Czechoslovakian Republic, the existence of which, in a sound condition, constitutes a formidable obstacle to the accomplishment of the Pangerman aims.

The preparation of the plebiscite against Czechoslovakia has been made, notably, by a particularly active Austro-German agent named Joseph Korec. This man, who is a pro-German Czech, is a slacker, having been « in ambush »

during the war at the bureau of anti-Czech espionage in Vienna. Since the Armistice, he has had the effrontery to dissimulate his activities in favor of the Pangermans under the cloak of an action performed in the name of universal fraternity. In the beginning of 1920 he established himself at Karlovy Vary (Karlsbad), where he published a weekly called the *Volkerbund* (League of Nations) in English and German. In this paper, the axioms « Fraternization of nations », « world peace » and « order » abound, but the sheet is filled with every calumny imaginable against Czechoslovakia and France. This paper is sent gratis into Germany, England and the United States, especially to Washington, New York and San Francisco.

Korec is in constant relationship, not only with the Pangerman organizations of the Reich, particularly with Reventlow, but also with Dr. Morel, the inveterate pro-German Englishman who devised the *Union of Democratic Control* to come the assistance of his Pangerman friends.

Korec is furnished with money by Germany, by the Lodgman crowd — Lodgman is a German Deputy from Czechsolovakia — and by the Duke of Beaufort. The last-named German gentleman is exceedingly anxious to see the Czechoslovakian Republic destroyed, in order to prevent the confiscation of his property, which has been

affected by the Czech law regarding the expropriation of real property.

This man Korec is one of the manufacturers of inspired news articles, which he sends gratis to French newspapers in the hope that, by using them, they will render French public opinion unfavorable to the Slavs of Central Europe. The facsimiles of two letters which he sent to M. Dagron, Central European correspondent for several French papers, will give the reader a vivid idea of the ardor and tenacity of Korec, the Pangerman agent who even dreamed of obtaining an interview with M. Briand.

Karlsbad, 16/VIII 1921.

Dear M. Dagron :

I enclose herewith two articles which I have written for *L'Action Française;* two others will follow.

I should like to have you send me three numbers of the French papers containing the articles. I do not ask any payment for these articles.

What is new in France ? I am obliged to close this letter in haste, because the frontier mail is leaving. Are you in connection with the editorial staff of the Vienna Reichspost?

Wish best wishes,

Yours very truly,
KOREC.

Union of Democratic Control
Union für demokratische Kontrolle
Karlsbad.
Adresse: Völkerbund Karlsbad, Parkstrasse.
Tel. Nr. 389.

Karlsbad, am 16/III 21

Lieber Herr Dayron!

In der Beilage übersende ich Ihnen 2 Aufsätze. 2 Aufsätze für l'action française und noch 2 andere folgen.

Bitte gütigst mir von den Nummern der französischen Zeitungen je 3 Belegexemplare zu senden. Honorar fordere ich keines.

Was gibt es Neues in Frankreich? Muss den Brief rasch abschliessen, weil der Courrier über die Grenze geht. Verkehren Sie mit der Redaktion der Reichspost in Wien?

Mit besten Grüssen
Ihr ergebenster
Korec

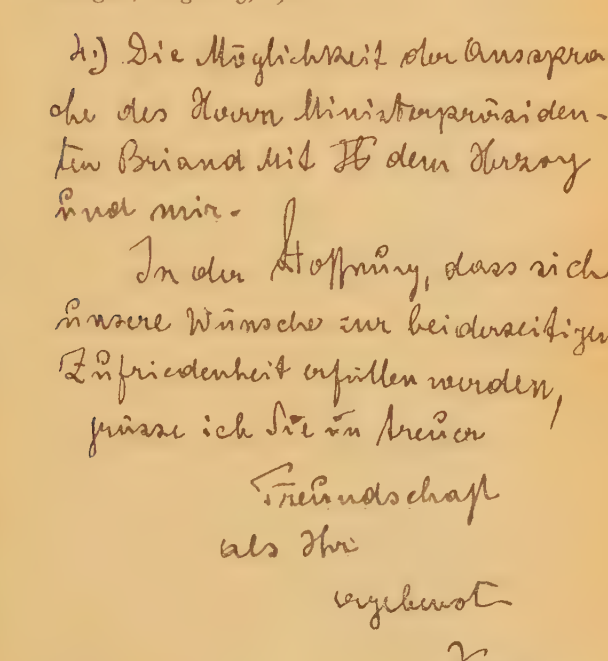
At the end of this second letter Korec asked: 4th. If it were possible to arrange an interview

between M. Briand, President of the Council, the Duke (of Beaufort) and myself.

Hoping that our wishes may be realized to our mutual satisfaction, I salute you, and remain, in faithful friendship,

Devotedly yours,
KOREC.

Prague, August 5, 1921.



Korec's activities are of the same sort as those

of the « National Pangerman Party of Bohemia, Moravia and Silesia », which was formed on November 20, 1921, at Cheb (Eger), Czechoslovakia.

The Reconstruction of Hungary.

The Venice Conference, held in October, 1921, under the auspices of Italy, decided on a plebiscite to be held in the Oedenburg (Sopron) region, a portion of the Hungarian districts ceded to Austria by the Treaty of Trianon. This decision is big with consequences, for it constitutes the first derogation from the Treaty of Trianon. It may be considered as certain that if the Germans continue to have the liberty of holding fraudulent plebiscites, the Magyars will grow bolder and bolder. They will take advantage of the Sopron precedent to obtain a succession of plebiscites which will be favored from behind the scenes by the German propaganda organizations. These plebiscites, directed by turns against the Czechs, Roumanians and Jugo-Slavs will make it possible, little by little, to reconstruct Hungary, which is necessary to Central Pangermany.

Reconstruction of Bulgaria.

As yet, no plebiscites have been openly spoken of, but the General Convention of the Union of Macedonian Societies, held at Sofia from Octo-

ber 2 to October 5, 1921, made preparations for a resumption of agitation towards that end. Before many months, the plebiscites intended to cut off the Jugoslav and Greek portions of the country will be demanded by the Bulgarians in Thrace and Macedonia, and these, too, will lead to the reconstruction of the pre-war status.

The Plebiscite in Alsace-Lorraine.

M. Paul Hocquel made the following statement in *Le Lorrain :* « There are not ten Germans out of one hundred who have definitely renounced the idea of recovering our Alsace and our Lorraine. » (Quoted by *L'Action Française*, August 8, 1921.)

In truth, the Pangerman leaders, at the very time they signed the Treaty of Versailles, knew that they had been successful in having clauses inserted therein which would enable them to prepare a plebiscite in Alsace-Lorraine.

As a matter of fact, the Versailles Treaty contains provisions regarding nationality that are truly fantastic.

In that Treaty, Section 5, Alsace-Lorraine schedule, Section 2, it is stipulated in several paragraphs that certain persons can claim French nationality ; particularly in number 6, which states : *the husband or wife of all persons claim-*

ing or obtaining French nationality. The concluding portion of the section explains that the French authorities can refuse to grant naturalization, « *except in the case of Number 6 of the present paragraph*. » *Consequently, in this case number* 6, *the French Government is obliged to grant French naturalization papers, even to a German who is unworthy to become a Frenchman, but who has married, or claims to have married, a woman from Alsace-Lorraine*.

Now, in actual practice, this simple claim, made by a German from Germany, may suffice ; for in many cases the marriage is proved by papers which the German authorities of the Reich alone are able to deliver, and which it is impossible to verify. Moreover, secret « factories » have been discovered in Strasburg, in which the necessary papers are made to order.

Therefore, by virtue of a clause in the Treaty of Versailles, the Berlin Government can have French nationality granted to as many Germans at it deems necessary for its direct propaganda in Alsace-Lorraine. It has not been slow to take advantage of this. This clause has led to cases, some of which are scandalous, others extravagant

In 1919, General von Arnim, Governor of Metz, who commanded the German army at Verdun, automatically became a French citizen, his wife being an Alsatian.

Although the plebiscite in Alsace-Lorraine is not to be undertaken immediately, it is in a state of intense preparation. For some months past, German propaganda has been becoming more intense in Alsace-Lorraine. At the present time, German officers are writing to inhabitants of Alsace-Lorraine who served under them. They remind them of the good old days, recall the excellent relations that existed between them, and invite them to get into correspondence with them.

Naturally, in Alsace-Lorraine as elsewhere, the labor organizations are being exploited by Communist camouflage, and used to create, little by little, an atmosphere that will be favorable to the plebiscite.

The strikes at Strasburg in July and August, 1921, were highly significant. On August 16, 1911, at a meeting organized by the Communists, the crowd sang the « Internationale » in German. There were cries of « Plebiscite » and « Hurrah for Germany ».

The object of these strikes is systematically to aggravate the economic situation, which, in Alsace-Lorraine as everywhere else, is bad.

On August 5, 1921, *Le Journal d'Alsace-Lorraine* stated : « The industrial situation, heretofore serious in Alsace-Lorraine, is in the way of becoming critical. Only eighteen blast-furnaces out of sixty-six are in operation. » To

make matters worse, the industrial products of Alsace-Lorraine were boycotted in Germany precisely at the time when M. Loucheur, a French minister, was endeavouring to bring about his commercial agreement with Germany.

The object of these tactics is to combine their psychological effects with the feeling of amazement, quite easy to understand, which the most devoted friends of France in Alsace-Lorraine feel when they note the weakness of the French Government leaders, in their attitude towards the Germans and the pro-Germans of London. As M. Emile Buré, in *L'Éclair*, August 9, 1921, stated quite correctly : « The question with the Pangermans is to demonstrate that we are incapable of insuring order and prosperity in a province which their Kaiser made rich. » Naturally, German propaganda makes use of the administrative mistakes and failures which occur in Alsace-Lorraine, as everywhere else.

The Pangerman leaders are counting on all these circumstances to bring about the psychological moment when it will be possible to hold a plebiscite in Alsace-Lorraine with good chances of success. From their point of view, this time will come when a sufficient number of the inhabitants of Alsace-Lorraine will be sufficiently impressed to say : « After all, let us go back to German rule ; they, at least, know how to insure the order necessary for our daily

life. » This group of disgruntled inhabitants of Alsace-Lorraine will then play the same role as did the emigrants who made it possible to falsify the plebiscite in Upper Silesia. Joining forces with the Germans living in Alsace-Lorraine, the votes of these discouraged inhabitants of the country will make up the difference required in order, once more, to have the « plebiscite trick » win for Germany. Thus, by this procedure, the clever and psychological exploitation of the disgust, even temporary, of a certain number of inhabitants of Alsace-Lorraine, will constitute the little weight that will turn the beam of the scale.

At all events, Caesar Ley, the agent who is directing the neutralizing propaganda from Baden Baden, on the right bank of the Rhine, is redoubling his activities.

At the end of 1921, he distributed throughout Alsace-Lorraine a great number of circulars printed in German, the object of which is to bring about a voluntary plebiscite, in conformity to the method already applied by Hugo Stinnes in the Tyrol and the Salzburg region. (See p. 000.)

The title of this circular is : « A Plebiscite in Alsace-Lorraine. » Further on it states : « *Those persons of both sexes, belonging to families which left Alsace-Lorraine, and whose grand-parents and parents were natives of*

Alsace or Lorraine, have a right to vote. » Then come blank spaces for replies to the four following questions :

1st. Annexation to France ?

2nd. Autonomous State, like Switzerland, Belgium and Holland ?

3rd. Autonomy like that of the British Dominions, with every facility for transportation of our products ?

4th. Separation of Church and State ?

Next comes the column for replies to the questions : *Name*, *Christian names*, *Date of birth*, *Names of father*, *grandfather*, *mother*.

The final instructions are to send the sheet, when filled out, to « The General Secretary of the League of Nations, Geneva, Switzerland. »

M. Léon Daudet, who quotes this document and gives a photograph of it in *L'Action Française*, November 1, 1921, asks whether these last instructions do not betoken an understanding, at least a tacit one, with the General Secretary's Office of the League of Nations. Otherwise the organizers of the German propaganda would risk having the sheets of their voluntary plebiscite thrown into the wastebasket.

This last example proves that the « plebiscite trick » is organized in all the regions of Central Pangermany where it has not yet been put into successful operation.

Dynastic plebiscites.

Despite the ultra-modern methods used for bringing it about, Pangermanism is a super-reactionary idea. It could not last in Europe, save by the aid of a dictatorial system of government, such as a monarchy alone provides.

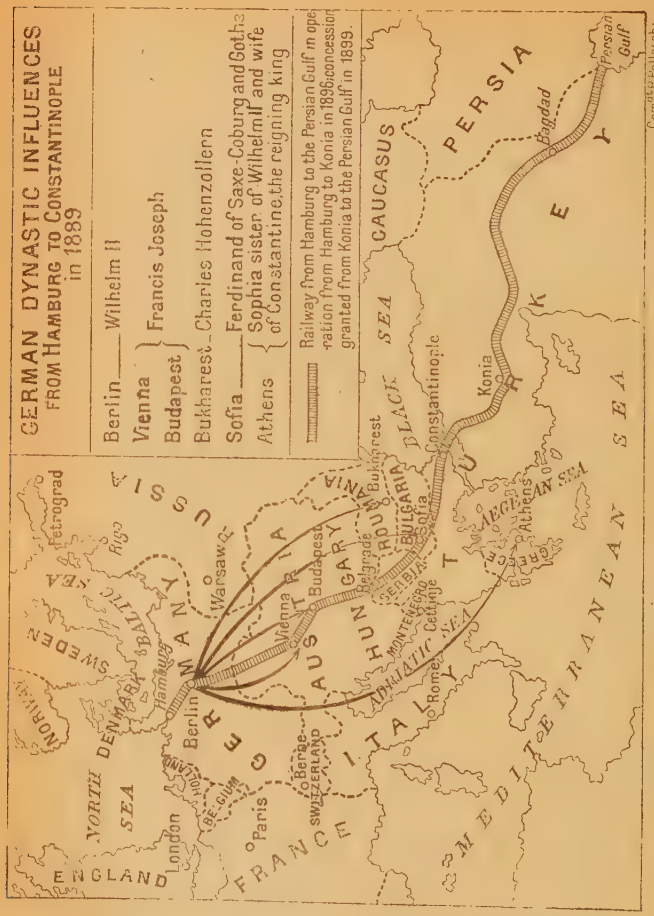
The map on page 208 calls to mind the dynastic influences without which Wilhelm II never would have been able to carry on the war and bring Central Pangermany into being in 1917.

The death of the old king, Charles (Carol) of Hohenzollern, at the outbreak of the war, deprived Wilhelm II of the assistance, or at least the neutrality, which he counted on finding in Roumania.

After the precedent of the action of Francis Joseph, of Ferdinand of Bulgaria and Queen Sophia of Athens, it is easy to understand that the Pangerman leaders, by means of fraudulent plebiscites, are in a hurry to bring about monarchical restorations.

In December, 1920, a carefully-prepared plebiscite re-instated Constantine, Wilhelm Second's brother-in-law, on the throne of Greece. The Government authorities in the Entente countries bowed before the so-called popular verdict, without understanding that it

had been rendered fraudulent by German propaganda. (See p. 191.)



In March and October, 1921, Charles of Hapsburg, ex-King of Hungary and ex-King of

Austria, attempted to regain the throne in Hungary, with a view to resuming the Austrian crown later on. His attempt failed, particularly on account of the manner in which he was personally discredited in Central Europe, chiefly on account of the marked instability of his character. But, now that Charles is dead, the Pangerman leaders are holding in reserve, not one Hapsburg, but four.

The intention is to establish Archduke Frederick in Vienna as King of Austria; his son, Archduke Albrecht, as King of Hungary; Archduke's Frederick's brother-in-law, Archduke Stephen, as King of Poland; and Archduke William of Hapsburg, Frederick's nephew and first cousin of Albrecht, as King of Ukrainia.

In Germany, preparations for dynastic plebiscites in favor of either the Wittelsbachs or the Hohenzollerns are increasing daily, but they are being held back for the opportune moment.

William of Wied would again become King of Albania. Once this state of affairs were brought about in Central Europe, the Pangerman leaders count on the strength of the freemasonry that exists between kings for making such princes as the present King of Roumania, who is a Hohenzollern; King Boris of Bulgaria, whose family connections are German carry out the Pangerman policy in

order to retain their thrones. Nothing would remain but to place on the Russian throne a Czar completely under German control, and in Turkey a Sultan such as Enver Pasha or Kemal, of undoubted pro-German sentiments. In these circumstances, it would no longer be difficult to impose on France a king such as Prince Sixtus of Bourbon, who has good reasons for being a docile member of the Society of Princes.

In the long run, Europe would be governed by a Holy Alliance of German or pro-German princes. These rulers, in the name of divine right, but aided by the most scientific methods of coercion, would make the peoples who were absorbed willingly or unwillingly into the domain of Pangermany walk the chalk-line and obey their slightest nod.

However this may be, I have in no wise exaggerated in affirming that the accomplishment of the Pangerman plan has been systematically sought after, ever since the Armistice.

As a matter of fact, we have just established the following truths :

1st. Germany, which has succeeded in evading payment of any substantial reparations, is retaining the advantage of the differences created in her favor by the war.

2nd. Wherever plebiscites have been held — Eastern Prussia, Carinthia and Upper Silesia

-- they have turned to the advantage of the Germans, owing to their fraudulent character.

3rd. Wherever plebiscites which might likewise be falsified, and which would tend to restore the Pangerman situation which existed at the close of 1917 (in Alsace-Lorraine, Czechoslovakia, Hungary, Austria, Macedonia, Turkey), these plebiscites are in varying stages of preparation.

Consequently, all that is necessary is to let the present state of affairs develop, in order to allow Central Pangermany to re-establish itself very soon, *without firing a shot.*

This conviction will be all the stronger when we have verified the present condition of the German seizure of Russia, and seen how the influence of the German banking power has practically brought about, even now, their economic domination of Central Europe.

CHAPTER V

THE PANGERMAN LEADERS' THREE MEANS OF ACTION

I. **The German banking system.** 1st. The *Deutsche Bank*, a political as well as financial institution, directs German financial action throughout the world. 2nd. This action enables Germany to put through astonishing operations, and particularly to exert a powerful influence on the Continental exchange crisis. 3rd. In the field of finance, the Allied nations, as yet, are entirely unprovided with means of protection.

II. **Propaganda**. 1st. German conception of propaganda. 2nd. The mechanism of German propaganda : the creation of psychological atmosphere. 3rd. Since the Armistice, German propaganda has been able to exploit magical catch-words and slogans. 4th. Table of the principal poisonous ideas launched by German propaganda. 5th. German propaganda is at work in every country.

III. **The exploitation of Bolshevism.** A stupefying operation.

After the Armistice, in order to carry on the war of political science in the most invisible form possible, the Pangerman leaders especially employ three great means of action : the German banking organization, propaganda and the exploitation of Bolshevism.

I

The German banking organization, which was established throughout the entire world twenty years before the war, is highly remarkable from a technical standpoint, and is unique in its character. For a long time past, it has been able to organize a system of long-time credits, which give German commerce and finance an extraordinary elasticity. This banking organization, which has its tentacles everywhere, possesses this peculiar characteristic : it was devised not only for the purpose of realizing financial profit, but also for contributing, in a practical way, to bringing about Pangermany's political program. *It is essential to realize thoroughly that Germany, even now, is the only Power that directs, throughout the whole world, a financial organization that is working systematically to bring about a concrete political program which, even in its details, was decided upon long ago.*

1st The Deustche Bank.

The *Deustche Bank* is the foundation and brains of the redoubtable German banking organization. The *Deutsche Bank* has long since given an indication of its Pangerman activities in the matter of the Bagdad Railway, which it

has managed ever since 1888 through the medium of Messrs. A. Kaulla, Türk Zander, Dr. Siemens and Helfferich. (See p. 49.) The *Deutsche Bank*, which possesses a documentation that is precious and unique, world-wide in its scope, has managed all the financial and economic manœuvres of Germany since the Armistice. The managerial policy of the *Deutsche Bank* is transmitted without any difficulty to the entire German banking organization throughout the world, and this, in turn, has an influence on all the financial centres of the world, particularly London and New York. This is possible because Germany is powerfully aided by very wealthy financiers born in Germany, but naturalized British or American citizens. Despite the latter fact they willingly work in conformity to the financial orders emanating from Berlin, for the very simple reason that owing to their old-established business connections resulting from their origin, it is in their personal interest to do so. Those on the inside are well aware that when Mr. Wilson, despite the wishes of the American people, as formally expressed at the general election of November 5, 1918, attempted to impose the Armistice before the complete military defeat of Germany, the group of German-American banks in New York backed him to the limit.

Since the Armistice, this world-wide German

banking organization, which, through a serious mistake on the part of the Allies, has been allowed complete liberty of action, has resumed an ever-increasing activity.

2nd. Tremendous political influence of the German banking organization.

This German banking organization, managed practically by a handful of men, two or three dozen at the most, and operating without an effort on account of their established organnization and connections in all the great financial centres of the world, has made it possible for Germany to accomplish successfully some amazing financial operations, which have had formidable political repercussions. Three instances of this follow.

In the first place, a swindle that is nothing short of a stroke of genius : selling abroad, since the Armistice, about eighty billion marks, which cost Germany nothing but the paper and cost of printing. In exchange for these marks, the German banks received good foreign money, with which they purchased raw material, enabling Germany to get her industries thoroughly started up again. This meant the resumption of her foreign commerce, from which the Pangerman manufacturers derive enormous profits.

In the next place, the German banking

organization speculated on the drop in the German mark (October-November, 1921). In this way it was able to buy back, at a ridiculously low price, a portion of the marks it had sold at a relatively high price.

Lastly, the German banking organization has succeeded in exercising a profound influence throughout Europe, on the general condition of exchange, in conformity to Pangerman interests. (See Chapters VII and VIII.)

3rd. The Allies are unprovided with means of protection against the German banking power.

The success of these colossal operations, the consequences of which have been truly fantastic, has been possible for the simple reason that Germany is the only Power that possesses a banking organization of a really national character. Up to the present time, the Allies have nothing with which to oppose it.

In France, England and the United States, the financiers are directors of the large banks or insurance companies, oil or navigation companies, and so on. In their particular lines they are highly qualified men, but none of them has ever studied the relations existing between the finances of a country and the management of its foreign affairs. The consequence of this is that none of them has the special training of such men as Helfferich, Siemens, von Gwinner,

Rathenau or Stinnes, who for twenty years have been accustomed to devise each and every great financial operation so as to be in harmony with the accomplishment of the Pangerman plan.

II

1st. German conception of propaganda.

The word « propaganda », designating a means of influencing public opinion, is known to a certain extent in the Allied countries, inasmuch as the Allies, in face of the German propaganda during the war, were compelled, in their turn, to make use of the same weapon, much in the same way that the Germans' use of asphyxiating gas obliged the Allies to use it. But, to tell the truth, the complete conception of « propaganda » exists only in Germany. In the Allied countries, up to the present time, the notions of it have been merely rudimentary. To-day the Germans have the following fundamental conception of propaganda: the experience of the war has demonstrated that X tons of artillery projectiles, well aimed, cause an X amount of destruction in an X length of time. In like manner experience demonstrates that X tons of paper, printed, prepared with sufficient cleverness and circulated with the required intensity and under the necessary camouflage,

will produce a certain aberration in one's opponent's judgment. This will last long enough to enable the author of the propaganda to profit by his momentary weakness and derive a tremendous advantage therefrom.

Progressive experiments have led the Germans to the following conclusion : if a lie be repeated one hundred times, it will not succeed in distorting the truth. But if this same lie be repeated very quickly a million times, the opponent, during a certain length of time, takes this lie for the truth. During that time, the opponent is, in a sense, hypnotized, and incapable of defending himself by means of his natural common sense. And so he allows himself to be impressed by the most absurd suggestions, most at variance with his interests and with the truth.

On the whole, « propaganda », from the German standpoint, provided it be sufficiently intense, is such a potent method of suggestion that it enables them to make millions of men, for a certain length of time, believe the greatest untruths. While the suggestion lasts, the subject is stultified to such an extent as to try to walk on his head. While he is trying to assume this ridiculous posture his pockets are turned upside-down; and nothing is easier than for the Germans to pick them. When the subject, after his period of aberration, returns to his senses and gets back on his feet, he notices that his pockets

are empty. The trick has been played, for from the German point of view, once an act is accomplished, no objections to it are allowed.

This conception of propaganda in its entirety has given the Pangerman leaders enormous results, because they have applied it in a carefully-studied way, pursued it with a systematic tenacity, and devoted immense sums of money to its application. In reality, the fact that the public, in the Allied countries, has accepted the improbable — and for the most part absurd — explanations given it since the Armistice for the purpose of masking the German mystification, is due to its common sense having been led astray by German propaganda. It was the activities of German propaganda that brought about this masterpiece : namely, making the belief current in the United States that France is a militaristic and imperialistic country.

2nd. The mechanism of German propaganda : the creation of psychological atmosphere.

In order to induce one's opponent to accept a viewpoint contrary to his interests, propaganda has to create in advance the artificial atmosphere which will cause a sufficient aberration on the part of the opponent for him to allow himself to be duped. In fact, the only reason why the German mystifications succeed is on account of

the poisonous atmosphere which their propaganda is able to create at the psychological moment.

In the main, propaganda produces, in the intellectual field, an effect which may be compared to that which the Germans devised with asphyxiating gases in the material field. The purpose of releasing the latter is to immobilize the enemy and reduce him to a state of helplessness, in order that the German military attack may be launched with a success that is almost certain in advance. In the same way, the creation of an atmosphere of false ideas by German propaganda among the Allied peoples has for its object the occasioning of a mental intoxication, without which it would be absolutely impossible to get them to accept ridiculous ideas, plainly contrary to their most undoubted interests, such as they have accepted since the Armistice.

3rd. Since the Armistice, German propaganda has been able to make use of magical catch-words and slogans.

The psychological progress of German propaganda since the Armistice must be recognized, if we wish to combat it effectively.

Those in charge of German propaganda have discerned very clearly the dominating ideas that have insured the solidarity and created the moral

strength of the people of the Entente countries during four years of frightful warfare.

The words « humanity », « nationality » and « democracy », and the axioms : « the right of peoples to self-determination », « militarism must be destroyed », « down with imperialism », and « the control of democracy must be organized », have certainly been magic words and maxims which have enabled the people of the Entente countries, from a standpoint of morale, to « carry on », and march shoulder to shoulder, in spite of the differences existing between them.

Since the Armistice, the propaganda of the Pangerman leaders has simply taken possession of these magic words and axioms in the most cynical way possible, in order to exploit them for its own benefit, the idea being first to disturb, and then to split up, the people of the Entente countries.

Now, it is the Germans' turn to claim the right of peoples to self-determination. In order to derive the greatest possible results from this axiom, they have, as we have seen, transformed the plebiscite — a fraudulent one, be it understood — into a weapon in the war of political sciences. This weapon is so highly efficacious that the ultimate result will be to oppress, beyond measure, the races which will be absorbed, against their will, into Pangermany.

Under pretense of restoring peace, the Germans know very well how to exploit the humanitarian sentiments of the Allied peoples, by claiming continual relaxations of the terms fixed by the treaties. These tactics, in practice, are of great advantage in helping them to avoid payment of the greater portion of their debts.

By attaching a gigantic importance and a world-wide circulation to a few imprudent words of tongue or pen, emanating from certain Frenchmen who speak only for themselves, German propaganda has been able to spread broadcast the idea of French imperialism. This idea has been spread abroad so cleverly and persistently that it has harmed France considerably, even in British and American circles that are sincerely attached to France. This has been demonstrated by the declarations France has been obliged to make at the Washington Conference in order to combat their poisonous propaganda.

This dishonest use of magical catch-words and axioms which, for the most part, are founded on democratic ideas, constitutes a triumph of cynical propaganda. It is all the more audacious because its object is to help bring about the Pangerman plan of world-domination; in other words, the most frightful plan of imperialism and monarchical reaction that mortal mind ever has conceived.

4th. Table of the principal poisonous ideas launched by German propaganda.

The German manœuvres, in the main, are sufficiently developed at the present time to make it possible to discern the leading poisonous ideas which the Germans have spread among the Allies by artificial means, during the war and after the Armistice. Their object is to create a favorable atmosphere, and thereby assure the success of their manœuvres.

It is even possible to draw up a chart of these leading asphyxiating ideas, showing the years in which they were put in circulation, their logical connexion, and proving the tremendous material results each of them has enabled the Pangerman leaders to obtain.

1915-1918. *First Idea.* **A peace of conciliation, without annexations or indemnities, ought to be concluded.**

Result : the creation of influences around certain Allied leaders which were strong enough to bring about the Armistice of November 11, 1918. This Armistice saved Pangermanist Germany from an irrevocable military defeat.

1918-1919. *Second Idea.* **Germany ought not to be disarmed, as she ought to be left capable of resisting Bolshevism.**

Result : The Allies have been stupid enough

to reprovision Germany before disarming her. The result has been that disarmament has been made infinitely more difficult and much less complete than if the Allies had not allowed themselves to be taken in by the bluff of Bolshevism.

1919-1920. *Third idea.* **It is impossible for Germany to make reparation for all the destruction she has caused. In the interest of the rapid re-establishment of peace, it would be reasonable to demand of Germany only what she is actually able to pay.**

Result : Estimating Germany's debt on a basis of what she is actually able to pay has enabled her to obtain a reparation estimate far lower than the damage she has caused. This first weakness on the part of the Allied leaders has made it possible for Germany, later on, to obtain new and considerable reductions in her debt.

1920-1921. *Fourth Idea.* **The general interest of peace demand that the rehabilitation of Europe be considered in a general way, without making a narrow distinction between victors and vanquished.**

Result : The idea of considering primarily the economic unity of Europe has had the practical result of retaining for uninvaded Germany such favored conditions of industrial production that German products find it easy to compete with those of the Allies. This is the essential cause

of the serious industrial crisis now existing in the various Entente countries.

1920-1921. *Fifth Idea.* **As Germany went to war to save Austria-Hungary, she is now working to reconstruct that country. In order to accomplish this the more readily, it is in Germany's interest to have public opinion believe this : that the Allied leaders, in destroying Austria-Hungary, made a mistake. They « Balkanized » Europe and created States that are incapable of independent existence. Consequently, it is necessary to reconstruct Austria and Hungary gradually, in order to be able to oppose the Hapsburgs to the Hohenzollerns.**

Result : This idea of the « Balkanization » of Europe, which has been cleverly put in circulation by German propaganda, has become the favorite theme of a considerable number of newspapers in the Allied countries. In promulgating this idea, they have not the slightest suspicion that they are doing everything in their power to promote the game of the Pangerman interests. The Government leaders in the Allied countries have « Balkanized » nothing. (See, p., 388 the map *The anti-Pangerman Continental Entente.*) They have simply submitted to the wishes and the situation created by the Czechoslovaks, Roumanians, Jugoslavs and Greeks. The Allies have created no European

State that ought not to exist. The only new States, in comparison with the 1914 map, are Poland, Czechoslovakia and Jugoslavia. Now, Poland is nothing but the re-birth of a nation. Czechoslovakia is merely Bohemia with its natural dependencies, and Jugoslavia is only Serbia, augmented by the Slav territories lying round of it. The territory added to Roumania is, for the most part, Roumanian territory. But, inasmuch as Germany greatly fears the consolidation of Poland, Czechoslovakia, Greater Roumania and Jugoslavia, a consolidation which would make it impossible to resume a Pangerman policy, it is to Germany's greatest interest to bring about a sort of reconstruction of Austria and Hungary. It was for the purpose of preserving these two countries as they were that Germany went to war. Now, the idea of the « Balkanization » of Europe, an idea that has been promulgated by German propaganda. has obtained, in France, a result as deplorable as it is prodigious : a considerable part of public opinion, taken in by newspapers which are unconsciously intoxicated by German propaganda, is calling for the reconstruction of Austria-Hungary, at the expense of the Poles, Czechs, Roumanians and Jugoslavs, all faithful friends of France. On the other hand, the destruction of Austria-Hungary was, from a German point of view, the crowning disaster of the

war, and the reconstruction of Austria-Hungary would insure the triumph of Pangermany. In this way there are Frenchmen who, evidently without suspecting it, are working against the vital interests of about eighty millions of sincere friends of France in Central Europe, and in the interests of about twenty millions of inveterate pro-Germans.

1921. *Sixth idea.* **The policy of a Franco-German commercial agreement ought to be put into operation.**

Result : The object of this idea, which was put into circulation about the middle part of 1921, at the suggestion of Parvus, the Jew who invented Bolshevism (See p. 234) and of Herr Rathenau, is to justify, apparently at least, the formation of Franco-German economic syndicates. According to the Berlin theory, the French members of these syndicates ought to possess sufficient influence over the Government at Paris to prevent the enforcement of the sanctions.

1921. *Seventh idea.* **Germany is not the only country responsible for the war.**

Result : This idea was put into circulation, particularly after Germany, through the London agreement (May, 1921), had its debt fixed at a comparatively modest figure. Once this result was obtained, the German objective was to pay

nothing at all. Consequently, they have spread the idea throughout the Allied countries that, when all is said and done, Germany is not the only one responsible for the war. The anticipated result of this propaganda is that once the idea of divided responsibility is admitted, Germany ought not to be the only one to pay reparations. If she owes on that score, France, in turn, owes money to Germany. Consequently, in the long run, both debts are canceled and Germany, from an economic standpoint, will win the game.

1921. *Eighth idea.* **France is militaristic and imperialistic.**

Result: France is the one who appears to be the real obstacle to the re-establishment of peace. Consequently, France is under a cloud of suspicion on all sides, even in the United States. The result is that France no longer finds the supporters that justice would demand, in order to obtain the reparation due her; all of which is of considerable assistance to Germany in evading her debts.

1921. *Ninth idea.* **In view of the fact that Germany has disarmed, all the other Powers ought to disarm.**

Anticipated result: After such a frightful war, it is easy to exploit the ideas of peace and disarmament. However, while German propaganda

is spreading broadcast the idea of disarmament, Germany is organizing her Russian mercenary army and, even in Germany, is concentrating on the skeleton organization of an army of seven millions of men (See p. 241). In this way, Germany is retaining the elements of an immense military force, so that if she succeeds in persuading the other Powers to disarm, she will remain, as a matter or fact, the only armed Power, thus possessing a practical monopoly of war.

1921. *Tenth idea.* **In order to tranquillize the situation more speedily, Germany ought to be admitted to the League of Nations.**

Anticipated result: Once Germany is in a position to manœuvre that peculiarly constituted body known as the League of Nations, she will be able, through her tenacity and the force of her technical knowledge, to make the League serve her special interests. This is the case, because Berlin is well aware of the fact that the League of Nations was created by the same influences that enabled Germany to obtain the Armistice.

5th. German propaganda is at work in every country.

The departments of German propaganda, which were so active during the war, have been actively re-organized after the cessation of

military hostilities, and have placed the greatest value on the information obtained during the former period. These departments have at their disposal immense financial resources, enabling them to operate in every country. Their methods of procedure are exceedingly diversified, but have all been carefully studied, so as to exert a converging influence on the attainment of the various German objectives.

« Public opinion throughout the civilized world is disturbed, and with good cause, at the intensity which German propaganda is assuming in every part of the world. » (*Le Temps*, September 3, 1921.)

This state of affairs explains, in a large measure, the paralysis of the Allied Governments, and the absence of a decision every time they seem on the point of making one.

Beyond a doubt, such a gigantic effort, extending throughout the whole world, has necessitated tremendous expense, representing hundreds of millions of gold marks.

The Germans, who claim that they cannot find any money for paying reparations, have experienced no difficulty in finding it for propaganda. This has been the case because the Germans have been the first to realize that propaganda expense, made at the proper time and in intensive fashion, can be the most excellent of investments. They have reasoned in

this way: « Instead of paying a billion gold marks to these simple Frenchmen, who are depending on our word for being paid, we shall spend them in propaganda directed against France. If we manage the affair properly, we have a good chance, in the long run, of evading payment of all that we owe on the score of indemnity. Therefore, there is no use hesitating: let us spend, first of all, for propaganda. » And in fact, there is nothing in the present situation to prove that their reasoning was bad.

III

The Exploitation of Bolshevism.

The most amazing method of operation possessed by the Pangerman leaders consists in thoroughly taking advantage of Bolshevism. From it they have been able to obtain prodigious results. But the account of this astonishing operation will find a more logical place in the following chapter, explaining Germany's seizure of Russia.

CHAPTER VI

GERMANY IS LAYING HOLD OF RUSSIA AND EXPLOITING BOLSHEVISM

I. **Bolshevism is not Russian :** 1st, Lenin, a German agent; 2nd. The real leaders of Russia are either Russians subservient to Berlin, or Jews hostile to the Russian people ; 3rd. The Germans virtually masters of the Bolshevist army.

II. **The so-called Communism of Lenin, Bronstein alias Trotzky and their associates, is used principally to hide the most extraordinary deal in « second-hand goods » ever executed ;** 1st. The disturbing document published by the *Intransigeant :* Comrade Rappoport's report ; 2nd. The meaning of Lenin's evolution towards capitalism ; 3rd. The Russian workman in a state of servitude.

III. **Tremendous advantages which Germany derives from the exploitation of Bolshevism :** 1st. German propaganda's Bolshevist camouflage after the Armistice ; 2nd. Obstacles put in the way of disarmament, to the execution of the Treaty, to the destruction of Germany's seizure of Russia; 3rd. Profound disturbance of conditions of industrial production in the Allied countries ; 4th. Using the Soviet army for Pangerman purposes ; 5th. Making use of Soviet activities to subject the Slav and Latin States of Central Europe to Pangerman Mitteleuropa ; 6th. The wealth of Russia's natural resources are used by the Pangerman leaders as a bait for Allied financiers.

What is known as Bolshevism constitutes a tremendous mystification, because on a ground-

work of Bolshevist anarchist elements which really were Russian at the start, the astute cleverness of the Pangerman leaders has artificially grafted pro-German means of activity which have practically become the principal part of the Bolshevism that has evolved therefrom.

I

1st, Lenin, a German agent.

M. Wladimir V. Bourtzeff, the former Russian revolutionist, has formally accused Lenin of having received from the Germans, since August, 1914, seventy million marks « for the purpose of organizing Bolshevist agitation in the Allied countries..... » (Conferences of Zimmerwald and Kienthal and their sequels). (See *La Cause Commune*, quoted by *Le Matin*, October 2, 1920.)

In January, 1921, Edward Bernstein, the German leader of the Socialist majority, and a sincere opponent of Prussian militarism, publicly declared that he had obtained proof that the German General Staff, in 1917, had furnished Lenin with at least fifty million gold marks.

The Jew Helphand, *alias* Parvus, has long been known as notorious agent of the Berlin General Staff. Before the war it had employed him in Russia and Turkey, and during the war

it entrusted him with important missions, particularly in Switzerland. In February, 1921, Parvus, who was at Berlin, received M. Daniel Oger, correspondent of *L'Éclair*. He stated that he had long been intimate with Lenin and Trotzky, and that when the Russian Revolution burst forth, he had used all his influence with the German statesmen, in order to obtain a passage through Germany for Lenin and his companions. (See *L'Éclair*, February 13, 1921.)

In his review, *Die Glocke*, Parvus admitted the artificial character of the Bolshevism that had been organized by himself and his agents : « I had the Bolshevist bogy up my sleeve long before it spread out over Europe. » (Quoted by *Le Temps*, April 21, 1921.)

Ludendorff himself, in an article in the *Militärwochenblatt*, admitted : If the Kaiser's Government furnished money to Lenin, it was right in doing so. As soon as Lenin was in power, we obtained peace with Russia, and Germany had her hands free for her great offensive on the Western front. (Quoted by *Le Matin*, March 6, 1921.)

2nd. The real leaders of Russia are either Russians subservient to Berlin, or Jews hostile to the Russian people.

Wladimir Illitch Oulianoff, *alias* Lenin, is a Russian, but an agent of the German General

Staff. Through the assistance of the latter he reached Petrograd in April, 1917, and worked to such good purpose that on March 3, 1918, the Treaty of Brest-Litovsk, delivering up Russia to Germany, was signed. At the present time he is President of the Central Soviet.

Chicherin, Russian, Commissioner of Foreign Affairs.

Leonidas Borrissovitch Krassin, Russian, has been an intimate friend of Lenin since 1906. Long before the war, Krassin, in his capacity as electrical engineer, was the Russian agent of the Berlin companies Siemens and Halske and Siemens-Schuckert, headed by Arnold von Siemens, an exceedingly prominent Pangerman and one of the directors of the *Deutsche Bank* (s. p. 50).

Anatole Lounatcharsky, Russian, Commissioner of Public Instruction.

Rakovsky, Bulgarian, born a Roumanian subject; delegate to Brest-Litovsk; President of the Central Soviet of the Ukrainian Republic; right-hand man of Parvus, the German agent.

Leon Bronstein, *alias* Trotzky, Jew; Minister of War; member of the Central Soviet; established himself in Russia by means of the funds sent him in 1917 by the Jewish banker, Max Warburg of Hamburg.

Rosenfeld, *alias* Kameneff, Jew; delegate to Brest-Litovsk; at present member of the Central

Soviet in special charge of Foreign Affairs.

Nachamkiss, *alias* Stekloff, Jew; author of the famous decree No. 1, which disorganized the Russian army; editor of « *Izvestia* », the official Bolshevist organ.

Ioffe, Jew; delegate to Brest-Litovsk; presided over the matter of concluding treaties with the bordering States.

Sobelsohn, *alias* Radek, Jew; born in Austrian Galicia; at the present time Tchitcherin's assistant, in charge of Bolshevist propaganda abroad. During the war, Radek worked in harmony with Parvus, the Jew, Ludendorff's agent.

Apfelbaum, *alias* Zinovieff, Jew; President of the Petrograd Commune; member of the Commission for Foreign Affairs in the Central Soviet.

Finkelstein, *alias* Litvinoff, Jew; in charge of the work of establishing economic relations between the Soviets and the capitalist nations; Lenin's principal delegate at the Hague Conference.

Out of this list of twelve men, only four are really Russians : Lenin, Tchitcherin, Krassin and Lounatcharsky. However, Lenin is beyond a doubt a German agent, and Krassin has long been the Russian representative of large German firms. In the list we find a Bulgarian, Rakovsky, who was born a subject of Roumania, and who sold Russia at Brest-Litovsk. We also

find seven Jews who conceal their Hebrew names under Russian aliases, and nearly all of whom took part in the delivery of Russia to Germany by the Treaty of Brest-Litovsk.

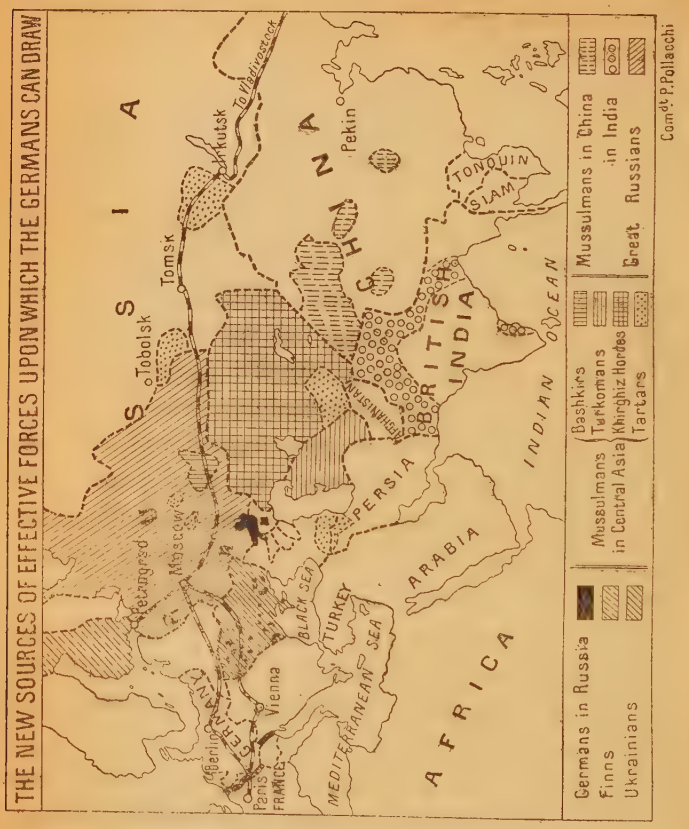
3rd. The Germans virtually masters of the Bolshevist army.

The Pangerman views regarding the military exploitation of the man-power reserves of Russia are admitted and summed up remarkably in the following statement made by Parvus the Jew, Ludendorff's agent and one of the inventors of Bolshevism (See p. 234) : « Russia is the only country capable of furnishing, through its peasants, an army that will be, for domestic as well as foreign service, the passive instrument of the Government. » (Quoted by *Le Temps*, April 21, 1921.)

The accompanying map will enable the reader to realize how tremendously dangerous to the world is the German seizure of the effective forces of Russia.

The execution of this audacious plan has begun, through the medium of Berlin's strawmen at Moscow. The Soviet army, in reality, is the German army of Russia, placed under a combined Jewish and German command. It is essentially a mercenary army. The greater part of the Russian officers who are serving in it

are doing so either to save themselves from starving to death, or to preserve their families



from horrible reprisals on the part of the Moscow leaders.

The Russian soldiers in the Bolshevik army belong to it either so as to be sure of having something to eat, or have been forced to join it.

Bronstein the Jew, *alias* Trotzky, has organized battalions of Tartars, Bashkirs, Kirghiz Hordes and Chinese, whose principal mission is to maintain the Russian elements by force in the Soviet army. The special guard of Bronstein, *alias* Trotzky, is exclusively made up of Bashkirs and Kirghiz Hordes.

The Staff of the Bolshevist army has been organized by German officers who, in addition to this, hold all the posts in which specialists are necessary.

On the occasion of my latest trip into Central Europe, I was able to procure, from a source which I consider excellent, a hitherto unpublished list of German officers in the Soviet service at the close of 1920. It will be noted how carefully their names have been camouflaged, even in the cases of such of these Germans as are in service in Berlin.

At the present time, the Bolshevik army numbers about one and one-half million first-line men. By virtue of a decree of the « people's commissaries », dated December 21, 1921, it is to be increased to 2,500,000 men, with 5,000,000 men in the battalions of compulsory instruction preparing for military service, beginning at the age of fifteen. (Cf. *Le Temps*, December 28, 1921.)

This organization is being armed with British, and more especially German equipment.

GERMAN NAMES	RUSSIAN NAMES	MATRICULATION NUMBER	GERMAN RANK	RUSSIAN RANK	ASSIGNMENT IN THE SOVIET ARMY AT THE END OF 1920
von Altman . .	Litvinoff. . . .	1 644	Captain.	Colonel.	General Headquarters.
von Matzmer .	Marlewsky. . .	1 923	»	»	— —
von Kleist. . .	Danischoff. . .	704	»	»	— —
Schmidt . . .	Palinoffsky. . .	781	»	»	Counter-espionage.
Siebers	Germanischoff .	1 071	»	»	Staff, Army of the North.
Wolf	Paulenovsky. .	4 954	Ober-Leutnant.	»	Staff in Persia.
von Brandis . .	Antonoff. . . .	189	»	Major.	Staff, Army of the North.
von Zanderf . .	Kopiwrow . . .	1 918	»	»	— — — South.
von Rachenbach	Kallontaj . . .	624	»	»	— — — South.
Schmidt . . .	Bodrow	10 718	»	»	— — — South.
Osster	Furnow	278	»	»	Press Service.
von Gersdorf .	Schwerdloff . .	5 312	Rittmeister.	Hetman.	General Headquarters.
von Ottegrafen.	Ivanoff	6 408	»	»	Intelligence Department.
von Zechman .	Lissizjun. . . .	1 716	»	»	Confidential man, Berlin Foreign Office.
Kriebel or Kriechel	Maschinobow .	1 804	Major.	Leut-Gen.	Organizer in Germany.
von der Goltz .	Settschinkoff. .	18	»	General.	General Headquarters.
Mainze	Germanoff. . .	916	»	Colonel.	Press Service.
Oswald	Wassileff . . .	1 114	»	»	C. E. Bureau.
von Oertzen. .	Peschakowf . .	19 703	Major-Gen.	Major-Gen.	Head of S. R. in Germany and S. R.
von Petersdof .	Mosumajewski .	7 182	»	»	Head of S. R. in Germany and S. R.

Krupp has charge of the management of the powder-factories at Poutiloff and Okhta, as well as the arms factories. In December, 1921, their production was already in a condition of considerable progress.

There is nothing mysterious about the ultimate purpose of the Bolshevik army.

The German officers in Russia, as well as Trotzky, have repeated in various forms, what one of the Bolshevist leaders stated to M. Philippe Jenneret, a Swiss professor, while he was still in Russia : « Nothing will be simpler than for us to raise five million men to invade and crush Western Europe. Our alliance with Germany will furnish them with a means of immediate revenge. Junkers and Pangermans themselves will fight enthusiastically in our ranks against England and France. » (Quoted by the *Daily Chronicle* and *La Liberté*, February 4, 1919.) In the main, the mercenary army of seven million men which the Germans are drilling in Russia is intended for doubling the action of the German army of seven million men, the existence of which was proved by M. Andre Lefèvre, ex-French war minister in his speech in the Chamber of Deputies, December 8, 1921.

In these general conditions, can it be maintained that Bolshevism is really under Russian management ?

II

1st. The report of Comrade Rappoport.

On May 27, 1920, *L'Intransigeant*, under the heading : « *A disturbing document regarding the secret origin of Bolshevism* »; « *How the Workers of Zion claim to have manoeuvred the immense flock of Russian sheep* », published the secret report of comrade Rappoport, a lawyer at Kieff and a member of the powerful Revolutionary sect known as the *Poalei-Sion* (Workers of Zion.) *L'Intransigeant* states positively that a person who had held an important post in Ukrainia confirmed the correctness of this report as regards the names mentioned therein. This document is extremely interesting, for, being dated in 1918, it is of a character to demonstrate that, only a few months after the Treaty of Brest-Litovsk, Communism, in so far as it is directed in Russia by the Jews, was the means, *powerfully aided by the camouflaged branches of the Deutsche Bank*, of dissembling a tremendous deal in second-hand goods, based on a gigantic swindle.

« Our principal task », begins Comrade Rappoport, « was to draw Ukrainia (together with the Crimea, Bessarabia, the Western portion of the Donetz Basin and the South-western part of White Ruthenia), into the orbit

of our activity. The scarcity of means of sustenance was due to produce a state of mind favorable to our plans. With this end in view, we put the large manufacturing interests in our power by means of a cleverly-managed stock-jobbing scheme. Likewise, we control the large commercial interests by means of discounts; as for small commercial establishments, we control them by means of our syndicates: *Troujenik*, *Jizn*, and so on.

« We have easily overcome the passive resistance of the Christian middle classes, as well as the spasmodic reactions of the Ukrainian national co-operative associations (*Ukrain-Bank*, *Soiouz-Bank*, etc.). We have overcome this last-named obstacle by « employes' syndicates » which are subservient to our influence. These syndicates are invisible to those who are in ignorance of our plans, and who are not supposed to know them.

« After the breaking-up of the national co-operatives, Ukrainian nationalism lost its economic base. The principal role in this affair was played by the discount banks, managed by our comrades Nazert, Gloss, Fischer, Krauss and Spindler. Our success became complete when comrade Margulies was nominated as director of the *Ukrain-Bank*.

« We secured control of the sugar industry, thanks to the support given by comrade

Rodolphe Stolenwerker, director of the *Banque Internationale*, a financier of great ability and greatly devoted to our interests. His assistants, Gruber and Wellenrodt, were the authors of the memorandum raising the price of sugar above normal. It will be recalled that comrades Rosenblatt and Rithaus had proposed requisitioning the sugar in wholesale quantities and selling it later on at the desired price. Comrade Gruber's advice carried the day, as it was considered the most opportune and best suited to the end in view.

(Note particularly the following passage, revealing the camouflaged intervention of the *Deutsche Bank*. Cf. p. 213.)

« The *Russian Bank of Foreign Commerce* (a counter agency of the *Deutsche Bank*) is rendering constant and immense services to our cause. The members of the council : Jacobson, Barak, Kais, Hammerman and Kadin, who have extensive connections in Hungary, have cleverly directed the policy of the Ukrainian sugar industry towards exporting their product to Hungary; this operation was entrusted to the *Russian Bank of Foreign Commerce*.

« In the meantime we have formed the commission which, although the fact is not known, is about to get possession of the « Central Sugar Company ». On this commission comrade Werner represents the *Russian Bank*

of Foreign Commerce, comrades Ettinger and Schulman the *United Bank* and comrade Weinstein the *Russian Bank of Commerce and Industry*.

« The next move, which has not yet been completed, was the syndicalization of commerce », continues the « Worker of Zion ». It was exceedingly easy to break down the resistance of the Christian middle classes by means of the system of nationalization, requisition, exile and other weapons from the arsenal of comrade Cwiback.

« In the first place, we placed the meat industry in the hands of our syndicate *Sogoz-Youz*. The cupidity and treachery of the Christians themselves facilitated our nationalization of the « Bulion », « Polak » « Polechtchouk » and others...

« The class made up of the great Russian land-holders, frivolous and stupid, will follow us like sheep led to the slaughter. As a representative of the *Poalei-Sion*, it gives me great pleasure to state that our party and that of the *Bund* have become directive centres manoeuvring the immense flock of Russian sheep. »

2nd. The meaning of Lenin's evolution towards capitalism.

Its object is clear. The failure of the Communist theories cannot be concealed. Com-

munistic terrorism in Russia has destroyed those who might have been able to oppose the Jewish-German seizure. The question for Lenin and his acolytes is to retain possession of power, awaiting the period of possession, when the natural resources of the country will be exploited with the co-operation of German and other foreign capitalists.

On March 3, 1921, at the tenth Congress of the Communist party, Lenin declared : « We are not yet in a position to re-establish our economic life, which has been devastated by our own forces... It is not sufficient to bring the tools of production from abroad, we must grant very large concessions... » The Jew Rosenfeld, *alias* Kameneff, in a report presented to the Congress, on March 15, 1921, did not beat round the bush in explaining why these concessions ought to be reserved for foreigners, *to the exclusion of Russians :* « If we recall the Russian capitalists, we shall be obliged to turn over the power to them ; whereas foreign capitalists will be satisfied with improving the natural resources of Russia, without wishing to take possession of the sovereign power. Their only object will be to make a profit. *We shall grant them an economic concession precisely because we wish to remain in power.* » (Quoted by *La Liberté*, April 2, 1921.)

The Congress of the Bolshevist party approved

this monstrous idea : namely, the denationalization of the great commercial enterprises to the advantage of foreign capitalists, practically all of them Germans, and to the exclusion of such capitalists as were really Russian.

The « evolution » is going on apace. In June, 1921, the banks re-opened their doors and private individuals were able to open accounts. In July, private property in real estate began to be re-established in the cities.

Krassin is more active than ever. After entering into combination with Hugo Stinnes, Rathenau and the London financiers for the purpose of exploiting Russia, he issued, in September, 1921, the astonishing declarations which were reproduced in *Le Petit Parisien* on September 25, 1921, and in which his exact words were : « *At the present time we are steering our ship in the direction of an international loan, without which we never shall be able to put Russia back on her feet... In my opinion, France is precisely the country that ought to be the first to contribute money.* »

The explanation of this frenzied hunt for money is furnished by the two following despatches, which were printed side by side in *L'Information*, October 23, 1921. The first one states : « The council of the people's commissaries has decided to re-open the Stock Exchange at Moscow : it will be the central Stock Exchange

of Soviet Russia. » But the second despatch, which I reproduce word for word, giving the final explanation of the evolution of Communism, caps the climax.

TROTZKY AT THE HEAD OF AN INDUSTRIAL SYNDICATE

Riga, October 23, (1921.)

« According to the Soviet papers, a great industrial and agricultural syndicate has just been formed at Moscow. This includes several factories in the Moscow region and immense properties in Central Russia. The Board of Directors of this trust is made up exclusively of Communist leaders, headed by Trotzky himself. »

3rd. The Russian workman in a state of servitude.

So true is it that Bolshevism inevitably results in the exploitation of Russia for the benefit of a syndicate of super-capitalists whose real leaders are Jews or Germans, that after the frightful period of license which was indispensable for the overthrowal of Russia, the workmen of that country, at the present time, are under a rule a hundred times more tyrannical than that of the Czar.

As early as March, 1919, the independent Socialist Stoebel stated in Zurich : « Under the Soviet regime, discipline is more severe

for the workman than in any other country. » (Cf. *L'Information*, April 2, 1919.) Citizen Merrheim, on July 29, 1921, at the Lille Congress, admitted : « The Bolshevist regime is a rule of assassination and death for an entire people. » (Cf. *Le Matin*, July 30, 1921.) In Jouhaux' paper, *Le Peuple*, Tcherkesof declared : « In the Bolshevist Republic, workmen and peasants have lost all pleasure and interest in production. » (Quoted by *L'Éclair*, September 13, 1921.)

It now remains for the reader to realize that this act of putting the Russian people in bondage has been systematically organized by the Jewish leaders at Moscow, in order to permit of a super-capitalistic exploitation of the natural resources of infinitely unfortunate Russia.

This truth is demonstrated by an amazing article in the *Krasnaia Pravda*, (*The Red Truth*), the official Soviet organ, reproduced by the Polish Socialist organ *Robotnik* (*The Workman*), of Warsaw, and quoted by *L'Éclair*, November 25, 1921. The object of this article is to give notice, with remarkable effrontery, to the Russian workmen that, hereafter, they will have to accept the conditions imposed on them by foreign capitalists :

The Russian workmen will not have the right to refuse to accept the conditions imposed on them by the foreign capitalists, for otherwise

the latter would not wish to engage themselves to come into Russia to develop the country. If the foreign capitalists refuge to allow strike clauses in their contracts with the workmen, the latter must renounce such clauses. The workmen must guarantee the foreign development interests honest labor and fidelity to their engagements. If the foreign capitalists refuse to accept the contracts of the trades-unions, the latter have only to submit. All workmen attempting to practise sabotage on the enterprises of foreign capitalists shall be considered as traitors to the Revolution and the Communist Fatherland. »

Such is the system of slavery existing among the Russian workmen!

On the whole, the self-styled Communist Revolution in Russia amounts to the cynical exploitation, by a group of Jewish-Pangerman financiers, of a race of one hundred and thirty million people, who are reduced to an unheard-of degree of slavery, inasmuch as they do not even possess a single independent newspaper to make themselves heard!

Practically, the assistance given by the British workmen and the French Socialist politicians to this self-styled Russian Communism, although supposedly aimed at capitalism, has resulted in aiding the most iniquitous, odious and colossal super-capitalistic operation that the world has ever seen.

III

An additional proof, and a particularly convincing one, that Bolshevism is primarily in the service of Germany, is furnished by the prodigious results and incredible profits which the exploitation of Bolshevism has procured for the Pangerman leaders.

1st. German propaganda's Bolshevist camouflage after the Armistice.

First of all, let us note that, in Germany, a really serious danger from Bolshevism never has existed. In a nutshell, the truth of the matter is that German propaganda in the Allied countries has systematically branded as « Communists » those German workmen who are sincere Republicans and Democrats, in order that the French and English, hoodwinked by means of their fear of Bolshevism, might allow Hugo Stinnes and his associates to put back the German workmen under the economic yoke of the great Pangerman manufacturers.

The Communist mystification in Germany has been exposed, in still another way, by the co-operation, in Upper Silesia, of the Pangermans with the Communists who were inspired from Moscow. This, despite the fact that the Russian people never has had the slightest interest in Upper Silesia.

The German origin of this propaganda, which is known as Bolshevist, is demonstrated by a series of facts. In April, 1919, the *Times* revealed the secret speech of Herr Brockdorff-Rantzau, in which he stated that Bolshevism was an excellent article of export for Germany. In April, 1919, a conference was held at Zurich, attended by Lieutenant Schloss, one of the chiefs of special service at German General Headquarters ; a secretary of the present German Legation at Berne ; the famous Maroun, formerly German consular agent at Agadir, who, during the war, was an agent of the German General Staff in the Islamic centres. Also present were the Bolshevist agent Aaron, a Jew, now a naturalized Brazilian, and who is in connection with Lenin through intermediaries ; and Cohen, formerly a Bulgarian agent, who is married to a Frenchwoman. (Cf. *Le Matin*, April 22, 1919.)

At this conference the plan of German propaganda, disguised under Bolshevist and Panislamic camouflage, was decided upon. From the start, this organization had at its disposal large sums of money : German funds, Bolshevik funds, and funds contributed by the Young Turk band of Enver Pasha, Kemal, etc., which had been sent into Switzerland.

The importance of the Zurich conference is further indicated by the secret order of the

Prussian Minister of War, dated April 20, 1919, which was intercepted by the British.

This confidential order No. 1972 issues injunctions « to choose, among the former soldiers, men who have a thorough knowledge of French and English, and who are absolutely reliable. These men are to follow the courses and lectures organized by the Minister of War, treating of Bolshevist aims and methods. They will be assigned to develop Bolshevist propaganda in France and England. (Quoted by the *Morning Post* and *La Liberté*, July 5, 1919.)

Nowhere has the self-styled Bolshevist propaganda aided real Russian interests, but in all cases it has favored Pangerman ones.

In the United States, Bolshevist propaganda, directed from Moscow, has contributed, in a notable measure, to distract Americans' attention from Europe, by compelling them to concentrate their attention on their own country. They have brought about this result by aggravating, so far as possible, the domestic difficulties existing as a consequence of the war.

In Central Europe the Bolshevist propaganda, organized particularly by Jews, has devoted its energies principally to preventing the consolidation of the new States : Roumania, Jugoslavia and Czechoslovakia, and to preparing their dismemberment, in order to facilitate the reconstruction of Hungary

and the reattachment of Austria to Germany.

In France, Bolshevist propaganda ran against the common sense of the people, but, inasmuch as it set to work as soon as the Armistice was signed, and has been allowed freedom of action, it has succeeded in disturbing the country and paralyzing its action.

Citizen Merrheim lifted a corner of the veil surrounding the Germano-Bolshevist subsidies granted the labor organizations in France, when he said to his opponents at the Lille Congress, July 21, 1921 : « I am not one of those who can be bought, nor of those who accept money from a Government, whatever it may be, in order to do propaganda work. » (Quoted by *Le Matin*, July 22, 1921.)

Merrheim made another declaration proving what amazing freedom of action the Germano-Bolshevists have had in France, even during the war. When Lenin was in Switzerland during the early part of the war, his ambassadress in France was the notorious Ineska, who frequently made the journey from Berne to Paris to bring his instructions. » (Quoted by *Le Temps*, Jult 23, 1921.)

This collection of facts and revelations took on its full significance when, thanks to the tenacity of M. Charles Maurras, the matter of the Zalewski checks was brought to light in October, 1921. On that occasion it was shown

that « the Eye of Moscow », Abramovitch, *alias* Dr. Zalewsky, who was expelled from France as the sequel to an inexplicable non-suit granted on May 3, 1921, had succeeded in distributing several millions to the French Communist leaders for propaganda purposes.

In England and the regions of interest to British influence, the so-called Bolshevist propaganda, which at times has assumed a Panislamic form, has obtained formidable results, especially in India and Egypt. On May 11, 1921, the Duke of Northumberland, at a meeting held at Westminster Palace, at which numerous members of both Houses were present, called attention to the danger which seriously threatens the whole British Empire. The Duke set forth the activities of three hidden forces : German intrigue, international financial intrigue and the international Revolutionary Socialist movement. But at that time the Duke did not seem to have realized that, in reality, the activities of these three forces coincide, and are particularly determined by the central Pangerman organization.

2nd. Obstacles put in the way of disarmament, to the execution of the Treaty and to the destruction of German grip on Russia.

These results have been obtained by the following methods of procedure :

Immediately after the Armistice, German propaganda spread throughout the Western Allied countries this mystifying idea: « Let us not disarm Germany immediately, otherwise Bolshevism will take possession of that country, and later on will invade France and England. » The result of this idea, which was strongly upheld by Mr. Lloyd George, was that Germany was not disarmed before she was re-provisioned. In other words, she was not disarmed at a time when it would have been a comparatively easy task.

Since the Armistice, on every occasion that there has been a question of compelling the Germans, by force, to respect their obligations resulting from the Treaty, the British and French Labor leaders who are under so-called Russian-Bolshevist influence, have interfered to prevent the London and Paris Governments from taking action. By this procedure, Germany evaded Allied military intervention on the occasion of Berlin's first failure to meet her engagements. Such intervention would have been justifiable, necessary and easy, and would have radically prevented the enormous difficulties of the present situation.

The same intervention on the part of French and British labor occurred, at the Moscow leaders' demand, to prevent the shipment of war-material from France and England to the

anti-Bolsheviks. In this way, Berlin's straw men at Moscow were able to consolidate their domination over unfortunate Russia.

3rd. Bolshevist propaganda has led to a profound disturbance of conditions of industrial production in the Allied countries.

It has incited the laboring men in France, England, the United States, Italy and Czechoslovakia to demand a considerable increase in wages, and at the same time a reduction in the hours of work. The result has been that in less than two years' time, in all the Allied countries, which are Germany's industrial rivals, wages have become relatively higher than in Germany. Furthermore, in the last-named country, the workingmen, as a usual thing, have agreed to work ten hours instead of eight. Chiefly on this account, the conditions of industrial production in the Allied countries, at the present time, are in a state of considerable inferiority, in comparison with German conditions of production. Consequently, the latter country can easily capture foreign markets.

4th. Using the Soviet army for Pangerman purposes.

The Soviet army was first employed against Poland in July, 1920. At that time, it was the

dominating German interest, and not the interest of the Russian people, which led to this attempt to crush Poland; for if the attempt had proved successful, the question of Upper Silesia never would have come up at all, and Central Pangermany would have come into being at once. The participation of the Germans in the operation has been clearly proved. The *Times*, on July 13, 1920, proved that hundreds of German officiers were aiding the Bolsheviks against Poland. (Quoted by *Le Matin*, July 13, 1920.)

Since the failure of the operation against Poland, Berlin and Moscow were obliged to put it off until another occasion. However, they immediately directed the Soviet army into Southern Russia and Central Asia, in order to constitute a method of blackmailing England. In the meantime, those States in the Caucasus which had succeeded in setting themselves up on an independent basis were reduced to servitude by the Soviet troops. This action on the part of these States was contrary to the German plan, which included the direct seizure of the oil-fields at Baku.

There is one fact which is of a peculiarly enlightening nature. On June, 1921, the self-styled Russian Soviet army sent material and troops to the Turkish Government of Angora, which is led by notorious pro-Germans, Mustapha Kemal and others. And it was solely due

to this material that the Turks were able to thrust back the Greeks.

Now, for centuries past, natural repulsion and religious differences have made real Russians and real Turks the instinctive and irreducible adversaries of each other. Consequently, it cannot have been the real Russian people, overwhelmed by its frightful sufferings, which wished to impose new sacrifices upon itself in order to enable the Turkish Mussulmans to triumph over the Orthodox Greek soldiers of the Athens Government. If Russian soldiers fight against Orthodox Greeks for the benefit of Mussulmans, it is solely because the Soviet army is a mercenary army, in the service of the Pangerman leaders.

5th. Making use of Soviet activities to subject the Slav and Latin countries of Central Europe to Pangerman Mitteleuropa.

On August 6, 1920, *Le Petit Parisien* revealed « the essential facts regarding the political and economic agreement concluded between the Soviet Ambassador at Berlin, M. Kopp, and the Director of Foreign Affairs in charge of Russian matters, Herr von Mahlzahn. » In virtue of this agreement, Germany is to furnish Moscow with material and technical experts, and in exchange, the Soviet Government is to drive the Poles from the Danzig corridor,

without, however, occupying this region, which was formerly German territory. The Russian Government is also to work for the re-establishment of the common Russo-German frontier and for the suppression, by more or less hidden methods, of the states bordering on Germany (Poland, Czechoslovakia and Jugoslavia).

The *Pravo Lidu*, organ of the Czechoslovakian Social Democrats, published, on July 12, 1921, the sensational revelations of M. Engelbert Kutchera, formerly Soviet Russian Commissioner, and later on, secretary of the workmen's council at Brno. This man, after going to Moscow on January 25, 1921, in company with a functionary of the Communist secretary's office at Prague, for the purpose of presenting his report and obtaining financial assistance for the illegal committees of Czechoslovakia, relates, with documentary proofs, his negotiations with the Secretary of the Third International, Kobetzby, and particulary with Bela Kuhn. The latter stated to him that the Executive Committee at Moscow would grant him such assistance, upon condition that the Czechoslovakian Communists organize a revolution, even without hope of success, in view of the fact that the State of Czechoslovakia must disappear from the map of Europe. In order to bring about this result, the Central Bureau of the Communist party, by a cipher despatch

dated March 9, 1921, paid five million crowns to those holding power of attorney for the illegal committees of Prague and Brno. Furthermore, later on, certain Communists whose names are given appear to have received forty-nine diamonds and other jewels; five thousand pounds sterling, 83,500 German marks and 210,000 Imperial roubles. (Cf. *Narodni Listy*, July 13, 1921.)

In Jugoslavia, the Communist propaganda is likewise directed towards the parcelling-out of that country.

This logical chain of revelations and facts, coming from different sources, and mutually confirmatory, proves to the hilt how far the political and military activities of the Soviets is directed against Slavism. In fact, it is devoted exclusively to Pangerman interests.

6th. The wealth of Russia's natural resources used by the Pangerman leaders as a bait for Allied financiers.

The enormous concessions which Lenin, the German agent, is distributing, with Krassine's assistance, to certain groups of British, American and even French financiers, as the newspapers have informed us, has created around the London, Washington and Paris Governments the necessary sort of atmosphere for preventing them from opposing, as it should have been

their primordial duty to do, Germany's seizure of Russia and the establishment of Pangermany.

However, the indisputed facts in the matter are very clear.

In the early part of 1921, we learn that Lenin wished to entrust the electrification of Russia to a German group consisting particularly of Hugo Stinnes, Siemens and Halske, of whom Krassin had long been the agent. Likewise, at the beginning of 1921, Stinnes negotiated with Moscow regarding the concession for the metallurgical establishments at Briansk, which are considered to be among the most important ones in Russia. In May, 1921, Stinnes obtained from the Soviets the concession of immense timber-lands in Siberia, and, a little later on, the vast concession for the magnetic ore-fields — the richest in the world — situated in the Government of Koursk, three hundred and ten miles south of Moscow.

Le Temps, dated September 2, 1921, stated : « High finance and the magnates of German industry are bending every effort to bring about the economic seizure of Russia by Germany. At the present time, there are no less than one hundred specialists, belonging to the various German commissions, stationed in Russia, where they are making active preparations for the seeping-in of German influence. »

Le Temps, on September 25, 1921, stated : « Krassin, during his recent stay in Berlin, entered into conversations with the Hugo Stinnes group, in view of the co-operation of the German banks with the former Russian banks, and the exploitation of important concessions in Russia, by means of German and American capital. »

Therefore, there is no longer any possibility of doubt. At the present time, Hugo Stinnes, Pangermanism incarnate, practically aided, despite their personal differences, by the Pangerman Jew Rathenau, is the man who is openly playing the game with some British and American, and even some French financiers. The manifest object of these interests which have been given to certain financiers in the Entente countries is to secure their influence towards permitting Germany to consolidate definitely its seizure of Russia. Moreover, Stinnes and all the Pangermans believe that they are already so certain of success that the time has almost arrived when they will openly admit the direct seizure of Russia by Germany.

M. Schacre, in *L'Eclair*, December 1, 1921, stated : « The concessions would consist in granting Germany the right to construct new railways in Russia, and to farm out those which are already in existence, and which would be re-opened to traffic. Furthermore, the Russian

State would abandon to Germany the right to exploit her forests. »

In the main, in order that the economic and military seizure of Russia by Germany may be productive of all its consequences, all that remains to be done is for the Pangerman leaders to obtain from the Allied leaders who have been circumvented by certain bribed financiers, that « general agreement regarding the exploitation of Russia » which Theodor Wolff openly called for in the *Berliner Tageblatt* (quoted by *Le Matin*, September 27, 1921).

CHAPTER VII

THE INFLUENCE OF THE GERMAN BANKING POWER ON CONTINENTAL EXCHANGE

I. **Anomalies that reveal the artificial character of the exchange crisis.** 1st. Countries which have gained enormously by the war have a currency more depreciated than that of countries that were on the losing side. 2nd. The depreciation of the Austrian crown and the Hungarian crown has been artificial, at least to a very considerable extent. 3rd. A banknote's loss in purchasing power in no wise corresponds to its depreciation below par of exchange.

II. **What may be learned from the diagram of the fluctuations of the leading European currencies between December 1, 1918 and April 1, 1921.** 1st. The Armistice and the peace have caused a much greater loss in the purchasing power of the franc than was caused by the war. 2nd. The suppression of English and American exchange credits allowed the exchange crisis to occur. 3rd. The drop in the French franc coincides exactly with the Treaty of Versailles, and is parallel to that of the German mark. 4th. The loss in value which the French franc has undergone since the Armistice has doubled the burden of France's foreign debts. 5th. The condition of the franc prevents France from engaging in commerce with her Allies in Central Europe. 6th. Beginning in March, 1921, the exchange crisis disappears, so far as Germany is concerned in her dealings in Central Europe. 7th. The French franc is increasing in value at a time when French credits, due from Germany, are diminishing. 8th. During the period under consideration, fiduciary inflation did not react unfavorably on the rate of the German mark. 9th. The condition of trade balances has not affected Continental exchange to the extent

claimed. 10th. The operation of the law of supply and demand is not reflected in the curves of the diagram. 11th. Bonafide speculation does not exercise a profound influence on the rate of exchange.

The upsetting of exchange is one of the principal causes of the high cost of living, of the slackening of international commerce, and consequently of the unemployment and industrial crisis now existing in France, Belgium, America and especially in England. The Allied financial experts have told us : « The exchange crisis is the result of the combined action of speculation, fiduciary inflation, the condition of unstable equilibrium of the various trade balances, and the law of supply and demand. » Most certainly, these influences were acting by themselves on exchange *before the war*, at a time when exchange fluctuated very slightly. Since the Armistice, however, the action of these elements is no longer sufficient to explain the disturbed condition of exchange. One feels that there are other factors determining the disconcerting fluctuations in exchange during that peculiar period beginning November 11, 1918.

In *Le Matin*, March 20, 1921, I pointed out, for the first time, the influence of the German banking power on the rates of Continental European exchange. This influence, which produces a considerable political effect, is, as yet, far too little understood. It is, however, of

prime importance, for it constitutes one of the most dangerous and efficacious methods of procedure in the war of political sciences, invented at Berlin, and still so unknown in the Allied countries. Moreover, the influence of the German banking power on Continental exchange explains, to a great extent, what is apparently inexplicable in the present situation. In fine, if one understands what this banking influence is, with its prodigious political repercussions, it enables one to grasp what action must be resolutely taken, in order to prevent the Germans from continuing to influence, to their own profit, the general rates of Continental exchange ; a proceeding which is sufficient to make them masters of the situation.

I

The fact that I visited all of Central Europe in the latter part of 1920 and the early part of 1921, placed me in a position where I was able to establish the fact that anomalies existed in European exchange. The logical connection of these anomalous facts put me on the track of what bears every evidence of being the truth.

First anomaly. — Germany, on account of the treaties and the war, has lost eight millions of inhabitants ; she has been compelled to give

up important territory and to acknowledge herself a debtor in the amount of the enormous war-damages she has caused. At the time I was in Central Europe, in the latter part of December, 1920, Germany, with a population of sixty-one million people, had a monetary circulation of seventy-six billions of marks, or 1,245 marks per capita.

At the same time, what was the situation of Jugoslavia? This country benefited greatly by the war, inasmuch as the Serbia of 1914, with four and one-half millions of inhabitants, has become the centre of a State with a population of fourteen millions, including flourishing agricultural provinces in full cultivation, and containing immense wealth in mines and forests.

At the end of December, 1920, the monetary circulation of Jugoslavia was 3,344 millions of dinars (the dinar, before the war, was of the same value as the franc). That is to say, the circulation amounted to 238 dinars per capita, or one-fifth the amount of the per capita circulation in Germany. Now, in December, 1920, the dinar was worth a little more than the German mark, but hardly one-half as much as the franc, which, itself, was greatly depreciated.

Roumania gained greatly by the war. It increased from seven and one-half millions to seventeen millions of inhabitants. It acquired vast territory containing immense natural

resources of a diversified character. At the end of December, 1920, the monetary circulation of Roumania was 9,331 millions of lei (the leu, before the war, was of the same value as the franc). That is to say, a circulation of 548 lei per capita, or less than one-half that of Germany. Now, the Roumanian leu was at the level of the German mark.

Czechoslovakia is a country in which the leading industries are agriculture and manufacturing. It possesses admirable equipment, as it suffered no damage during the war. Since the Armistice the Czechoslovakian Government has reduced the amount of its paper money in circulation, instead of increasing it, as did the German Government. At the end of December, 1920, the fiduciary circulation of Czechoslovakia was 11,288 million Czechoslovakian crowns, or, for its fourteen million inhabitants, a per capita circulation of 806 crowns, considerably less than the per capita circulation in Germany. Notwithstanding this fact it required, at that time, about 120 Czechoslovakian crowns to purchase 100 German marks. Consequently, the Czechoslovakian crown was worth less than the German mark, although logically it should have been worth more.

I was under the impression that the depreciation of the dinar, leu and Czechoslovakian crown was artificial, at least to a certain extent,

for I was confronted by the following curious fact : *certain countries among the victorious Allies, which had gained large material advantages from the war, had a more depreciated currency than Germany, defeated, obliged to give up extensive territory and to contract a huge reparation debt.*

Second anomaly. — In December, 1920, the Austrian crown, which at the time of the Armistice was worth thirty Swiss centimes, had fallen to less than two Swiss centimes.

In general, this was explained in Vienna particularly on the score of large purchases of foodstuffs which the Government had been obliged to make, especially in America, under particularly disadvantageous conditions, owing to the high price of the American dollar. However, when in Budapest in December, 1920, I ascertained that if, while in Vienna, I were able to buy 3,870 Austrian crowns with 100 French francs, the same sum would purchase 3,850 Hungarian crowns. The difference between Vienna and Budapest was simply a matter of 20 crowns per hundred francs. Consequently, the Hungarian crown was depreciated almost as much as the Austrian crown. Now, Hungary, which is essentially an an agricultural country, was not obliged to purchase foodstuffs abroad.

Therefore, the explanation commonly given in Vienna regarding the depreciation of the Austrian crown could not be the true one. From this I concluded that the depreciation of the Austrian and Hungarian crowns seemed to be artificial, at least to a notable degree.

Third anomaly. — If the depreciation of a banknote, from an exchange standpoint, was solely the result of actual legitimate causes. such depreciation ought to be accompanied by a loss in the purchasing power of that banknote, corresponding approximately to its depreciation from an exchange standpoint. However, such is in nowise the case.

At Budapest, in December, 1920, I purchased 3,850 Hungarian crowns for 100 French francs; or, in round numbers, 38 crowns for a franc. My room and meals at the Hotel Gellert, the best hotel in Budapest, cost me 550 crowns per day, or a little less than 15 francs. The same hotel accommodations, at that time, would have cost me at least 100 francs per day in Paris. Consequently the purchasing power of the Hungarian banknote, which was greatly depreciated, was slightly more than six times greater than the purchasing power of the French banknote, which, too, was greatly depreciated from an exchange standpoint.

In December, 1920, a great many of the

inhabitants of Budapest found it possible to live on 3,000 crowns per month. They lived modestly, but nevertheless they lived. At that time a dollar (16 French francs) was worth 608 Hungarian crowns. Therefore, an American could live twenty-four hours very luxuriously a the Hotel Gellert for a single dollar. But a Hungarian in New York would have had to pay 608 crowns for a dollar; in other words, for the price of his breakfast in a medium-class hotel in New York. At such a hotel he would have paid at least ten dollars a day, or 6,080 Hungarian crowns.

Consequently, in December, 1920, a Minister of the Budapest Government, whose monthly salary was 3,000 crowns, would have had to spend two months' salary to stop for a single day at a middle-class New York hotel.

This proves that the purchasing power of Hungarian money varied in the gigantic ratio of one to ten, according as it was spent in New York or Budapest.

From these facts I arrived at the following conclusion : at the present time there exists no similarity in the ratio between the loss in the purchasing power of a banknote and its depreciation from an exchange standpoint.

The demonstration of the existence of these three anomalies placed me face to face with a situation absolutely contrary to common sense

and economic reasoning. Summed up, it amounted to this : an apparently artificial depreciation of all the exchanges of Central Europe, affecting both the Entente countries and the former allies of Germany. This situation seemed to be caused by the action of a mysterious power that was capable of exercising an artificial effect on the rates of exchange. But what power ? I made up my mind on this point when a fortunate chance enabled me, at Warsaw, in January, 1921, to catch the Germans red-handed in the act of putting through a banking deal solely of a political nature. This deal was successful, in a few days' time, in effecting an artificial depreciation in the Polish mark amounting to thirty per cent. (See p. 293.)

Having demonstrated the existence of these anomalies and observed this fact, I was led to the following general conclusion : *Things are happening just as if Mitteleuropa, from now on, were in a fair way of being established. This is caused by the influence which the German banking organization seems to be exercising on the rates of exchange, in order to produce systematically the anomalies that have been shown to exist.*

But in that case, if my hypothesis be well-founded, and I were to take the official figures and draw from them the curve showing the variations in exchange of the principal cur-

rencies of Continental Europe, from the Armistice to the present time, these curves ought to prove mathematically, insofar as it exists, the German manipulation of the various exchanges.

II

The diagram on page 276, showing the fluctuations in the principal European currencies, has been drawn up according to the average quotations of the *Official Quotations of the Exchange-brokers' Association of Geneva*. The quotations are those of the first day of each month, from December 1, 1918 (the Armistice was November 11, 1918), up to April 1, 1921. (The sudden drop in the German mark, particularly suggestive, from September to November, 1921, is shown in another diagram, p. 297.)

Our first diagram shows the general trend of the quotations of the French franc, Italian lira, German mark, Bulgarian lev and Austrian crown; also of the Czechoslovakian crown, Roumanian leu and Polish mark, from the time that these last-named currencies were quoted on the Geneva Exchange.

This diagram enables one to ascertain the average value, *on the first of each month*, of 100 French francs, 100 German marks, etc., *in relation to 100 Swiss francs, which have*

been chosen as a constant basis of comparison.

The monetary circulation of Germany is represented by figures showing the separate totals of its two elements : 1st, Reichsbank notes; and 2nd, savings-bank notes in circulation (*Darlehnkassenscheine im freien Verhehr*), the official figures of which are published in the *Reichsanzeiger*.

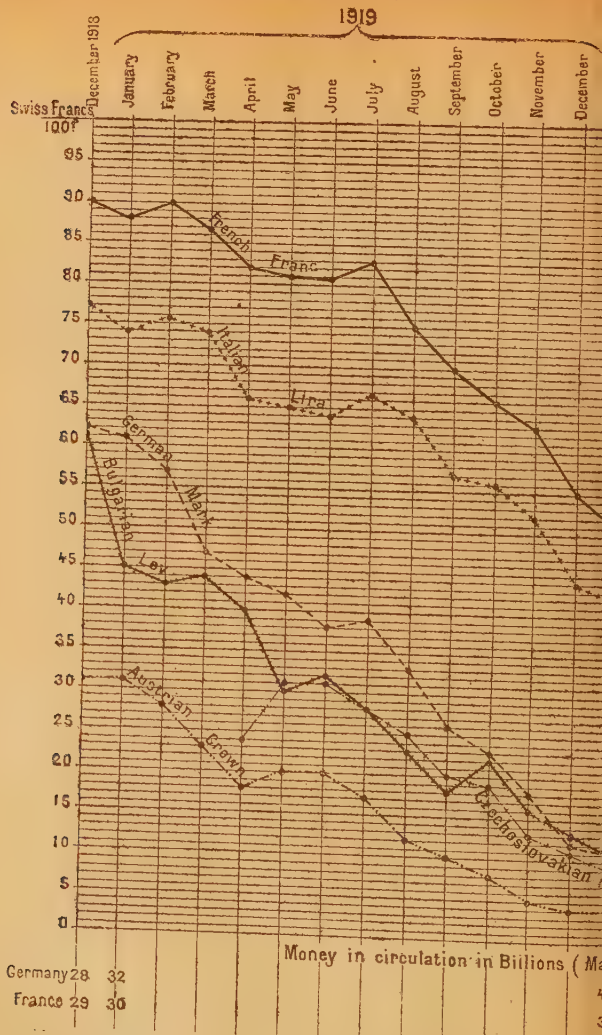
Our diagram enables us to draw the following conclusions :

1st. THE ARMISTICE AND THE PEACE HAVE CAUSED A MUCH GREATER LOSS IN THE PURCHASING POWER OF THE FRANC THAN WAS CAUSED BY THE WAR.

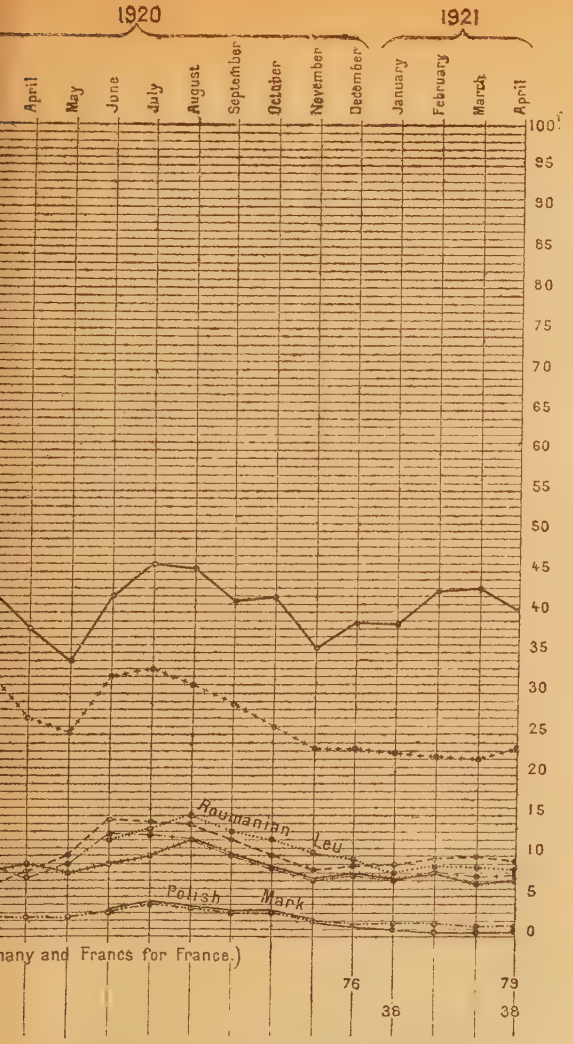
In fifty-two months of war, the French franc lost *only one-tenth* of its purchasing power; on December 1, 1918, 100 French francs would buy 90 Swiss francs. In the twenty-eight months that have elapsed since the Armistice, the franc has lost *five additional tenths* of its purchasing power; on April, 1921, 100 French francs would buy only 40 Swiss francs.

2nd. THE FACT THAT THE UNITED STATES AND GREAT BRITAIN, AFTER THE ARMISTICE, SUPPRESSED THE EXCHANGE CREDITS GRANTED TO THEIR EUROPEAN ALLIES DURING THE WAR, ALLOWED THE EXCHANGE CRISIS TO OCCUR.

The fact that after fifty-two months of war



the French franc had lost only one-tenth of its purchasing power, whereas during the twenty-



eight months of Armistice and peace, it has lost five additional tenths, proves that the « exchange

credits » granted to their European Allies by the United States and England had effectively prevented excessive depreciation of the currencies of Allied countries in Continental Europe. The beneficent effect of the British and American exchange credits which was felt during the war could, therefore, have been efficaciously extended after the Armistice, *if London and Washington had wished.*

The suppression of British and American exchange credits to their European Allies has allowed the exchange crisis to occur. There are only two possible causes for this suppression of credits; first, the fact that the British and American financial officials failed to realize the disastrous repercussions of such suppression in their own countries; or second, the action of pro-German financiers operating in London, NewYork and Washington, in order to obtain the suppression of the exchange credits immediately after the Armistice, in the same way that they had endeavoured, and successfully, to bring about the Armistice before the total military defeat of Germany.

3rd. The drop in the French franc coincides exactly with the treaty of versailles, and is parallel to that of the German mark.

The Treaty of Versailles, which fixed a heavy

reparation debt on Germany, would naturally have caused a drop in the German mark. Inasmuch, however, as it announced at the same time France's large credits due from Germany, the same treaty might very well have caused a certain rise in the French franc. Now, beginning exactly with the signing of the Treaty of Versailles (June 28, 1919), in other words, beginning at the time when the Germans recovered entire freedom of international communication, the French franc began to drop regularly, and its course is parallel, to an extraordinary degree, to that of the German mark. This drop and parallel course are exactly opposite to what should have happened. The same holds true, moreover, in the case of the Italian lira.

Matters happened just as if, beginning with the signing of the Treaty of Versailles, a mysterious force was powerful enough to depreciate the French franc and Italian lira to the same extent as the German mark, thus placing victors and vanquished on the same level. The drop in the French franc occurred as if the international financial powers who were particularly well-informed regarding matters that had been carefully concealed from the public, had considered the Treaty of Versailles as a mystification; and as if, as soon as it was signed, a state of affairs would begin in Europe

which would eventually enable the Germans to evade payment, which, correlatively, would imply an unfavorable opinion of France's credit.

4th. THE LOSS IN VALUE WHICH THE FRENCH FRANC HAS UNDERGONE SINCE THE ARMISTICE HAS DOUBLED THE BURDEN OF FRANCE'S FOREIGN DEBTS.

On December 1, 1918, one hundred French francs would buy ninety Swiss francs; whereas on April 1, 1921, they would buy only forty Swiss francs.

Consequently, in order to settle, in England and the United States, her debts — debts, moreover, which were contracted in the interests of a common victory — France now has to pay at least twice as many francs as she would have had to pay immediately after the Armistice. The political consequences of this fact are tremendous. France is overwhelmed by a financial burden which suddenly doubled after the Treaty of Versailles; whereas Germany, whose foreign debt is negligible, and who is refusing to pay anything, finds her situation constantly improving, in comparison with that of France. The result of this is so important, from a German standpoint, that it is very easy to realize that the German banking influence may have been exerted to depress the French franc to an extent most suitable to Germany's interests.

5th. THE CONDITION OF THE FRANC PREVENTS FRANCE FROM ENGAGING IN COMMERCE WITH HER ALLIES IN CENTRAL EUROPE.

Our curves demonstrate the fact that if the French franc has dropped sufficiently to double the burden of France's war-debts, it has remained high enough, on the other hand, to prevent France from trading with the Allied friendly nations of Poland, Roumania, Czechoslovakia and Jugoslavia.

6th. BEGINNING IN MARCH, 1920, THE EXCHANGE CRISIS DISAPPEARS, SO FAR AS GERMANY IS CONCERNED IN HER DEALINGS IN CENTRAL EUROPE.

Beginning in March, 1920, the trend of the mark and that of the other currencies of Central Europe gradually became similar.

On January, 1921, they became parallel and so close to the same level that, for all practical purposes, the exchange crisis no longer exists, from a German standpoint, as regards its trade in Central Europe. Inasmuch as the same holds true in the cases of the Hungarian crown, the Polish mark, the Jugoslavian dinar and the currencies of the Baltic States that are not shown on our diagram, this tremendous result follows : Germany is assured of a monopoly of trade in a gigantic economic territory. (See p. 313.)

7th. THE FRENCH FRANC IS INCREASING IN VALUE AT A TIME WHEN FRENCH CREDITS, DUE FROM GERMANY, ARE DIMINISHING.

Our curves show that the French franc first began to recover beginning on May 1, 1920, and that this movement ended in the beginning of July of the same year. During these two months occurred the first Hythe Conference (May 15), the second Hythe Conference (June 21), the Boulogne Conference (June 22), the Brussels Conference (July 2) and the Spa Conference (July 5). The result of all these conferences was either a reduction in France's credits due from Germany, or new financial burdens for France, such as gold marks paid for German coal, arranged at the Spa Conference.

Consequently, the recovery of the French franc, which began on May 1, 1920, had no logical justification. Before the Paris Conference (January, 1921), which resulted in a further reduction of France's credits due from Germany, amounting to about 35 %, our curves show a second, and very rapid recovery of the franc, which rose, within one month, from 38 to 43. On January 9, 1922, at the Cannes Conference, it was proposed that France make further concessions, and the French franc immediately rose to more than 46.

Doubtless, in these temporary recoveries of the franc, speculation exercised a certain influence,

but from a logical standpoint, the franc ought to fall whenever French credits are diminished. Inasmuch as the result has been exactly contrary, the following hypothesis is permissible : when there is a question of getting France to accept a reduction in the amount due her from Germany, at one of the numerous conferences to which France is invited only to find herself in the presence of an opposition to her rights, the mysterious power affecting the rates of exchange would appear to bring about a temporary recovery in the rate of the French franc, as if it wished to induce French public opinion to accept the propositions about to be made to her at the Inter-Allied (!) conferences, by making her believe that the result of these conferences would bring about an improvement in the financial situation.

8th. During the period under consideration, fiduciary inflation did not react unfavorably on the rate of the Germanmark.

In the twenty-eight months succeeding the Armistice, Germany fiduciary circulation increased from 28 to 79 billions ; that of France from 29 to 38 billions. Our curves prove irrefutably that the enormous fiduciary inflation in Germany, from January, 1920, to April, 1721 (30 billions in these fifteen months), had no effect on the value of the German mark ; whereas France's

manifest efforts to limit her fiduciary circulation brought about no material improvement in the value of the franc. It seems, therefore, that *the mysterious power which controls exchange takes into consideration neither what is unfavorable to Germany nor what ought to be favorable to France.*

9th. THE CONDITION OF TRADE BALANCES HAS NOT AFFECTED CONTINENTAL EXCHANGE TO THE EXTEND CLAIMED.

Between Germany, Roumania, Bulgaria, Austria and Czechoslovakia the trade balances are certainly very different. Nevertheless, they have not prevented the trend of exchange in these countries from assuming a parallel course to that of the German mark, beginning in March, 1920. The trade balances of France and Italy are very different from those of Germany ; nevertheless the curves of the franc, lira and mark continue to pursue a parallel course which, from a logical standpoint, is inexplicable. Consequently, our curves show clearly that the differences in trade balances did not produce an appreciable effect on the general trend of exchange.

10th. THE OPERATION OF THE LAW OF SUPPLY AND DEMAND IS NOT REFLECTED IN THE CURVES OF THE DIAGRAM.

If the law of supply and demand were the

principal factor affecting the rates of exchange, the rate of the French franc and that of the Italian lira would not remain constantly parallel, as is the case. (See also the diagram on page 297.) For when there is a demand for French francs, the effect of which would be to make them rise, the reasons for this demand are not necessarily those which bring about a demand for Italian lire. However, the Italian lira rises or falls in the same proportion as te French franc.

11th. BONAFIDE SPECULATION DOES NOT EXERCISE A PROFOUND INFLUENCE ON THE RATE OF EXCHANGE

Our diagram, which has been made by taking a single quotation at the beginning of each month, eliminates the daily fluctuations caused by public speculation in exchange. Such fluctuations have no bearing on our investigation. However, our diagram would reproduce — if they existed — the record of fluctuations caused by public speculation of a general and prolonged character. But, as a matter of fact, such fluctuations do not and cannot exist, for the play of such public speculation, which at times is heavy, and again light, produces the effect, in actual practice, of offsetting each other. Consequently, they cannot exercise a profound effect on the rates of exchange when a lengthy period is under consideration. A glance at our

diagram, considering it as a whole, enables the reader, moreover, to satisfy himself that the general trend of exchange cannot be the result of actual speculation, or in other words, speculation resulting solely from bonafide transactions made by the public.

Our curves prove that, contrary to the statements frequently made, speculation, fiduciary inflation, the differences in trade balances and the law of supply and demand have not exercised a controlling influence over exchange in Europe since the Armistice.

The action of these elements is not even reflected in our curves, which, nevertheless, register the actual fluctuations of exchange. There is additional evidence which goes to prove that the general trend of Continental exchange results primarily from the political and banking influence of Germany.

CHAPTER VIII

THE INTOLÉRABLE POLITICAL CHARACTER OF GERMAN INFLUENCE ON EXCHANGE

I. **How the Polish mark was artificially lowered.**

II. **The sudden fall in the German mark (September-November, 1921.)** — Its causes, its disadvantages from the standpoint of the German people, and the great advantages of this manœuvre from the standpoint of Pangerman policy.

III. **Tremendous consequences of German influence on Continental exchange rates.** — 1st. The drop in the mark towards the close of 1921 has brought about, by the same operation, the highly significant drop in other Central Europeau exchanges, by assigning them a rate in conformity to Pangerman interests. 2nd. The result of these manœuvres in European exchange has been to make the German mark the international money of an immense market consisting of 244,000,000 consumers. In fact, Germany is monopolizing commerce in this gigantic territory, which is identical with the one laid ont for Pangerman Mitteleuropa. 3rd. The creation of this economic Pangermany, from the fact of the exchange situation, is leading to the intellectual and political servitude of nations that have been brought together against their will.

IV. **German influence ou exchange cannot be tolerated.** 1st. It places all of Central and Eastern Europe under the Pangerman yoke. 2nd. By shutting out France, Italy, Great Britain and the United States from trading with 244,000,000 consumers, it is the principal cause of the world-wide industrial crisis that now exists.

V. **The ease with which Germany can influence exchange.** It is possible and efficacious because the Allies, up to

the present time, have not realized the meaning of a war of political sciences; but, *if they wish*, it is easy to prevent Germany from manipulating exchange.

Only a few months ago, the official experts and financiers in the Entente countries were unwilling to admit that the exchange crisis might be due to artificial causes.

As they were in ignorance of these causes, they contented themselves with denying their possibility, and claimed that the fluctuations of exchange depend primarily on the sacro-sanct law of supply and demand. Now, however, under pressure of evidence, financiers of standing admit that the German leaders are manipulating the rates of exchange.

Bradstreet's, under date of May 14, 1921, page 335, stated : « The German Government controls prices and has a bureau in which is combined the control of exports and imports with the control of exchange. The mark in domestic exchange is kept upon a basis of its own, and the foreign trade value of the money is negotiated upon a different basis. It is plainly apparent that Germany is employing a subtle new kind of protectionism in her foreign trade. »

M. Seydoux, official French financial expert, made the following interesting statements in the *Gaulois*, December 2, 1921 : « Germany has done nothing to prevent the depreciation of the mark. It would even seem that she has know-

ingly pursued a financial and fiscal policy that would help depreciate her paper money... The diabolical mark did not depreciate on account of reparation payments, but for the good reason that the German Government has done everything to bring it to the point where it is to-day... The depreciation of the mark has enabled the German industrial magnates to put through too many successful deals for them to worry about seeing it recover too quickly and go too high... It is cleverly manipulated by German high finance in order to hoodwink the gullible Allies. *And such will continue to be the case so long as the Powers do not decide to hold the reins of German finance.* »

But this is better still. In the early part of January, 1912, the *Hamburger Nachrichten* stated : « *If Germany succeeds in depreciating, slowly and constantly, the rates of foreign exchange, and in that case only, she will not have been defeated. The strongest weapon that Germany possesses is the difference existing between the home value and the foreign value of the mark, which constitutes a sort of premium on exportation. We must know how to use this weapon and not lay it aside until our opponents have made equivalent concessions.* » (Quoted by *L'Eclair*, January 6, 1922.)

The above is a frank avowal on the part of a German who admits, as plainly as it is possible

to do in such a case, that « Germany is working to bring about the slow and steady depreciation of the rates of foreign exchanges », a fact which our curves have already revealed, and which we shall prove, further on, in still more convincing fashion.

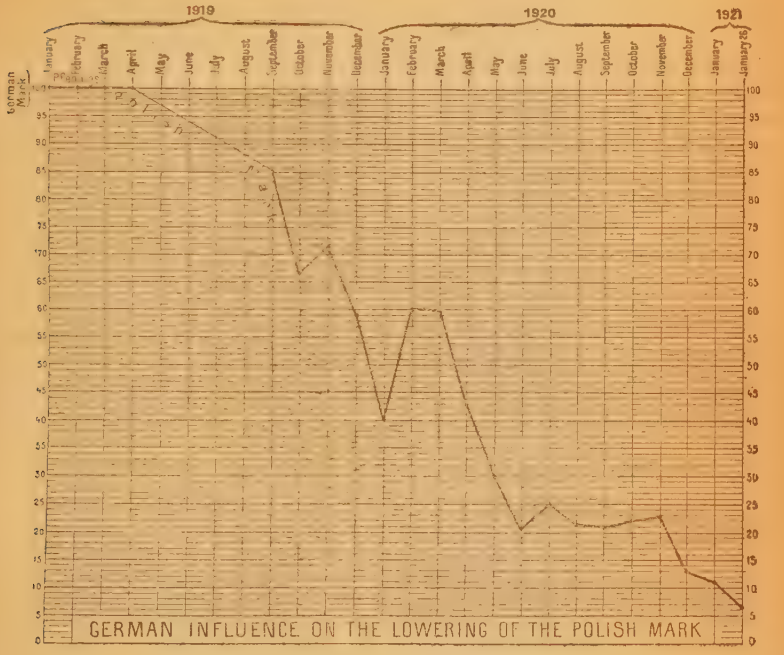
I

The German operation against the Polish mark reveals, without possibility of contradiction, the various methods of procedure employed by Berlin in order to depress a foreign currency.

The Polish mark was created by the Germans in June, 1917, during their occupation of Poland. Their purpose was to do away with the influence of the Russian rouble and to attach Poland to Germany organically by means of a similarity in their currencies. In order to induce the Polish people to accept it, the new banknote bore the White Eagle of Poland, a symbol which the Poles had not seen since the loss of their independence. Up to the month of April, 1919, the value of the Polish mark remained on a par with that of the German mark.

The accompanying diagram, showing the fluctuations of the Polish mark with relation to the German mark, enables the reader to verify

the fact that from that date until just before the plebiscite in Upper Silesia, the Polish mark underwent four principal phases of depreciation.



First drop. — *April to September 1919.* — This was caused by purchases which Poland made abroad. The drop in value in the Polish mark, with relation to the German mark, was merely 15 pfennigs. During this first drop on the part of the Polish mark, the influence of German activities is not sufficiently evident to be established.

Second drop. — *September, 1919 to January, 1920.* — The influence of German political activity began to make itself manifest; there were negotiations regarding Danzig which were far from satisfactory to the Poles, and fraudulent plebiscites in Eastern Prussia, which were disadvantageous to the Poles. During this second period, the Polish mark suffered a further loss of 45 German pfennigs, so that at the end of December, 1919, the Polish mark was worth only 40 German pfennigs. A proof that this depression was really due to the political situation is afforded by the following fact : when this era of difficulties had passed, the value of the Polish mark recovered, in January, 1920, to the extent of 20 pfennigs. Consequently, on February 1, 1920, the Polish mark was worth 60 German pfennigs.

Third drop. — *March to September, 1920.* — There was a considerable depreciation in the Polish mark due to causes essentially of a political nature : the manifest connivance of the Germans with the Bolsheviks; the enormous purchases which the Polish Government was compelled to make abroad in order to insure its military defence; a Bolshevist invasion reaching the gates of Warsaw, giving rise, for a time, to the universal belief that Poland was lost. The Polish mark dropped from a value

of 60 German pfennigs to 21 pfennigs on September 1. The victory of the Vistula, in the middle of August, when once confirmed, led to a slight recovery on the part of the Polish mark, up to the end of October, 1920 (23 German pfennigs).

FOURTH DROP. — *November, 1920, to the end of January, 1921.* — During this phase, the further depreciation of the Polish mark was entirely artificial and due *solely* to a German manœuvre executed entirely by the banks. The principal object of this manœuvre was to influence the plebiscite in Upper Silesia, in order to induce the greatest possible number of the Polish inhabitants of that region to reason in this wise : « If I vote for Poland, perhaps my mark will be the depreciated Polish mark, which means my ruination ; whereas if I vote for Germany, my mark will retain its value. » Now, the returns from the plebiscite prove that about 150.000 Poles were influenced by this argument, which contributed, in a notable degree, towards perverting the truth, to the Germans' benefit.

The German banking power operated in the following ways. As Poland had been invaded, neither her railways nor her industries had been reconstructed. She was obliged to settle for her large imports, not by means of goods

exported, but in Polish marks. This was approximately the case in the enormous proportion of 80 % of Poland's purchases made abroad. The German banks, which co-operated in this manœuvre, bought these Polish marks, placed them in reserve, and added to them by means of Polish marks which were brought in surreptitiously from Poland.

These stocks of marks were suddenly dumped on the exchange markets dealing in the Polish mark : Danzig, Berlin, Warsaw, Vienna and Prague ; later on the Polish mark was sold for future delivery.

Since November, 1920, the Germans have offered on the Berlin Exchange, and particularly on the Danzig Exchange, Polish marks for delivery at the end of February, 1921 (the plebiscite in Upper Silesia was in March, 1921), at a rate as low as five German pfennigs for a Polish mark.

The effect of these manœuvres was considerable.

In November, 1920, on the Vienna Bourse, 100 Polish marks would buy 196 Austrian crowns. Consequently, the Polish unit was worth almost double the Austrian. One month later, 100 Polish marks would buy only 98 crowns, in spite of the fact that, in the meantime, the Austrian crown itself had again been depreciated to a very great extent.

This single fact suffices to demonstrate the altogether artificial character of the drop in the Polish mark, at the close of 1920. It led to the following absurd result : although Austria, with seven million inhabitants, possesses much less natural wealth than Poland, which has thirty million inhabitants, the Austrian crown, at the close of 1920, was considerably higher in value than the Polish mark : a fact that is plainly contrary to common sense and every economic truth.

As our diagram proves, the Germans succeeded in depressing the Polish mark from the value of 23 German pfennigs on November 1, 1920, to the infinitesimal value of 7 German pfennigs (to be exact, 6.84 pfennigs) on January, 26, 1921.

The Paris Conference, held in January, induced the Germans to cease their manœuvres, at least temporarily. Consequently, beginning on January 27, the Polish mark recovered 15 % over the previous quotation, and went as high, on that day, as 8 German pfennigs. Since that time the rate of the Polish mark has undergone fluctuations, but as they have no bearing on the demonstration we wish to make, there is no necessity for discussing them further.

To sum up, in April, 1919, the Polish mark was still worth 100 German pfennigs ; in twenty-two months it fell to the value of seven German pfennigs. Now, this gigantic loss, amounting

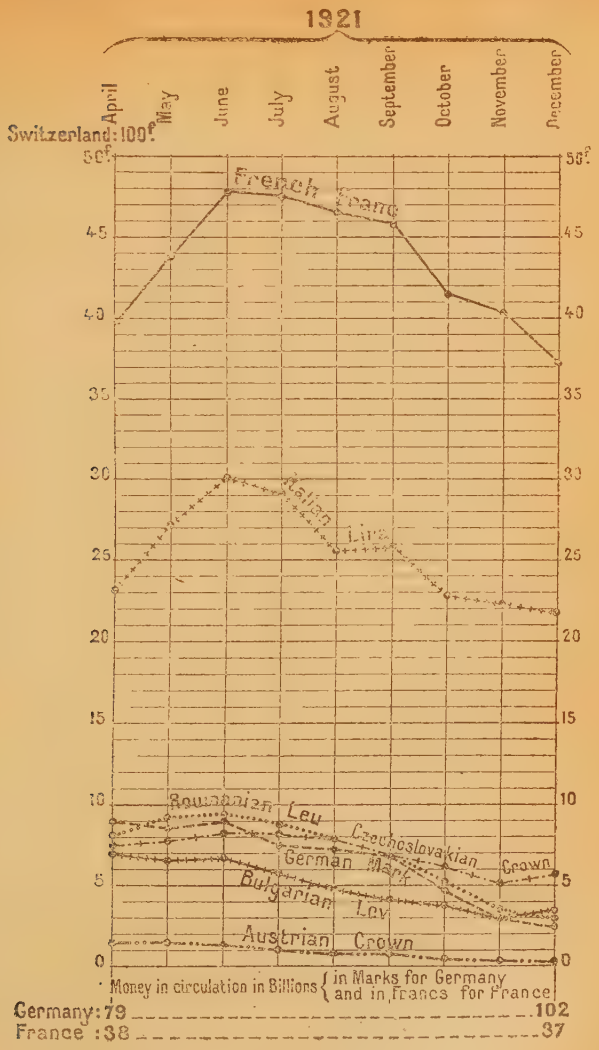
to nine-tenths of the purchasing power of the Polish mark, *with respect to the German mark*, was brought about, at least to an extent of seventy per cent, by German manœuvres of a political and banking nature, plainly premeditated at Berlin, and directed against Poland.

II

The sudden drop in the German mark from September to November, 1921 (see the accompanying diagram) was at first considered as a result of the fiduciary inflation created by the Reich Government. This cause may have contributed, but probably to a much slighter degree than is generally supposed, since, as we have already established (see p. 283), from January. 1920 to April, 1921, a fiduciary inflation of thirty billions had not affected the rate of the mark.

In order to discern the real causes of this sudden fall in the mark, it is necessary to analyze the disadvantages and advantages of this drop, from the German and Pangerman viewpoints.

A sudden drop in the mark is dangerous from this standpoint : it is apt, at certain times, to stampede the German people into making all sorts of purchases, in order to get rid of its marks. October 17, 1921, will remain memorable on the Berlin Stock Exchange for that



reason. Another effect of the depreciation of

the mark is that it causes a general rise in salaries and wages, which tends to cause German industry to lose one of the reasons for its superiority, but this will only hold good on the day when the purchasing power of the mark in Germany will not be greater than its purchasing power abroad. This levelling can only be brought about after a certain lapse of time. Now, the German Government is able to take measures of a sort that will hold back this levelling process for a long time. Chief among these measures are : 1st, the taxation of numerous commodities, which prevents them from rising; 2nd, Governmental subsidies making it possible to supply the consumer with certain products, such as flour and bread, at a lower price than the cost of production, the difference being borne by the State.

The results of these methods of procedure is that any increase in salaries and wages, which, even under normal conditions, comes a certain length of time after a depreciation in currency, is retarded still further, inasmuch as the sacrifices made by the State enable the workers to continue to obtain the necessities of life at relatively low prices.

« To the extent which it is due to these causes », remarks M. Frederic Jenny, in *Le Temps*, December 11, 1921, « the disparity between the purchasing power of the mark and

its foreign value is the result of arbitrary proceedings, certain ones of which, in practice, amount to a sort of official dumping process... » By means of these proceedings, the German Government avoids, or at least delays, the social disturbances that might result from the depreciation of the mark, and succeeds in preserving the difference between the purchasing power of the mark and its value outside of the country. In this way it maintains « an artificial state of affairs which throws international commerce into great confusion and excludes all possibility of normal and regular foreign exchange. »

This state of affairs can last much longer than is generally believed. Actual events in Poland prove it. The Polish mark is still much lower than the German mark. This leads to great difficulties for the Polish people, but nevertheless they continue to exist. Doubtless, the German people are beginning to support with difficulty the effects of the lowering of the mark, and doubtless their difficulties will continue to increase. Moreover, it is to provide against such an eventuality that the Pangerman leaders are endeavouring to stabilize the mark at a rate which they deem advantageous to their combinations. They expect to accomplish this by means of an international agreement by which, through the aid of their allies, the finan-

ciers of the Lloyd George group, they hope to obtain through the blindness of the Allied leaders an international loan.

But if the drop in the mark, from September to November 1921, and the other declines which followed, — especially the one of July-November, 1922 (see p. 372), — are attended by inconvenience and great risks for the German people, on the other hand, this depreciation helps the Pangerman leaders' general tactics to such an extent that this sudden drop appears to be one of their manœuvres.

One fact is certain. The drop in the mark, from September to November 1921, was brought about by the German banks and the great Pangerman captains of industry. The *Berlin Freiheit* admitted : « Hugo Stinnes is interested to the highest degree in the drop in the mark. Since the war, in Germany as well as abroad, he has invested immense sums of paper marks in securities of real worth. The value of his means of production and his installations is as steady as gold.

« The reasons for this policy are easy to explain. Stinnes and his family are German Nationalists, and that party is preaching resistance to the Entente. » (Quoted by *Le Matin*, November 5, 1921.)

Hermann Fernau, a German who is a sincere Republican and anti-Pangerman, plainly stated

in *La Gazette de Lauzanne* that the sudden drop in the mark was organized by international high finance, against the Treaty of Versailles.

« Knowing the maturity dates of the payments, international high finance, in combination with the industrial interests and the German banks which hold foreign money which the German Government needs, purchases and monopolizes it. In this way, when the German Government goes into the market to buy what it requires in order to make its payments, it finds no sellers and is obliged to pay prices that have been artificially raised. Whence comes a rise in foreign exchange, a lowering of the mark, and tremendous profits for the monopolists, whose speculation is practically infallible. » (Quoted by *L'Eclair*, September 23, 1921.)

Further than this, it has been demonstrated that the Pangerman manufacturers are opposed to a rise in the mark. *Le Matin*, on December 14, 1921, declared : « It is evident from yesterday's session of the Berlin Stock Exchange, that the industrial groups were endeavouring to maintain the market and to prevent a rise in the mark. »

A number of reasons explain this attitude on the part of the Pangerman leaders. The Germans have used the depreciation of the mark as a new excuse for claiming to be unable to pay reparation, at the same time laughing at their creditors and saying ironically : « Our money

is not worth anything; all we have is our buildings, our lands, our houses, our chattels and our labor; and you cannot come and take these. » (*Le Temps*, February 23, 1921.)

The depreciation in the mark is a method of upsetting the French accounts for recoverable expenses, as a comparatively regular rate for the paper mark had been innocently anticipated.

The fall in the mark has resulted in a flood of orders from abroad, and at the same time it has completely shut off Germany from the products of other countries, particularly England and the United States.

Consequently, the new drop in the mark has been a method of intensifying the German dumping process. The term « dumping » is applied to the act of selling abroad for less than the sales price in the country of origin, or even for less than the cost of production. But in reality the dumping which is attributed to Germany is an exchange dumping, a result of the German manipulation of exchange.

Louis Forest, in *Le Matin*, October 10, 1921, has summed up M. Michelin's argument setting forth the situation resulting from the exchange dumping. The latter, proving his statements by figures, demonstrated that on account of the low price of the mark, « the German factories operating at full capacity and working as never before, competition

became impossible to the French, Italian and British manufacturer.

« As a result of the manipulation of exchange, a German metal-worker earns from 80 to 90 centimes per hour. In France the wages are from 2 fr. 50 to 3 francs. In Germany, a good office employe earns 170 francs per month, as compared to 800 francs in France. And the German workman works nine, ten and eleven hours. »

Curiously enough, the means of proving that the drop in the mark has enabled the Germans to perpetrate a gigantic and highly profitable swindle, has been furnished us by Mr. Keynes, in an article in the *Manchester Guardian*.

« It is a fact that, some months ago, the Germans exported the sum of fifty billions of paper marks. During a certain time, the value of the mark was stabilized at a rate of about 250 marks for a pound sterling. Consequently, fifty billion marks represented two hundred million pounds sterling. To-day, they represent only sixty millions. The difference is by no means negligible.

« In view of the fact that, for the most part, the foreign purchasers of the mark bought them at the rate of 200 for a pound sterling and even higher than that, we may conclude that the losses they have sustained amount to about 200 millions of pounds sterling. In other words, they have lost, on their marks, a sum equal to

the total indemnity due from Germany this year; in fact, they have lost much more than that. » (See *L'Écho de Paris*, November 12, 1921.)

A further effect of the sudden fall in the mark has been to furnish the Lloyd George group with a means of facilitating its action on British public opinion, by allowing it to develop the following thesis : « Germany is on the road to an unprecedented catastrophe. Her failure would threaten the economic life of Europe and of the whole world. The purchase of the money necessary for making the initial payment on German reparation account, in August, 1921, has already had disastrous effects on exchange. The mere fact of making preparations for the second payment in January has further depreciated the mark, aggravating the situation still more. The distance between the mark and the pound sterling is increasing, and with it the British commercial crisis. » The object of this reasoning was to lead the British to come to the following conclusion : « It is impossible to rehabilitate British export trade, upon which the solution of the unemployment crisis depends, so long as the rates of foreign exchange are in such an unsettled state. Consequently, a three years' moratorium ought to be granted to Germany, and if necessary, money ought to be loaned her for the purpose of enabling the mark to recover. »

Now, a new respite of three years would constitute a delay more than sufficient to enable the Pangerman leaders to bring their colossal mystification to an entirely successful conclusion.

When one understands the mechanism of this manipulation of British public opinion by the financial group composed of Stinnes, Rathenau and the financiers surrounding Mr. Lloyd George, one realizes that *the drop in the mark on September, 1921, was a means of paving the way for the Cannes Conference in January, 1922, as well as the great results they flattered themselves that they were going to obtain at that Conference.*

The artificial character of the sudden drop in the mark, from September to November, 1921, is further demonstrated by the following account of the consecutive fall in the moneys of Central Europe : a demonstration of considerable importance.

III

Now, let us study the general results — results of a truly formidable character — of the German manipulation of exchange.

1st. The drop in the mark towards the close of 1921, has brought about, by the same operation, the highly significant drop in other Central European exchan-

ges, by assigning them a rate in conformity to Pangerman interests.

If the drop in the German mark, at the close of 1921, had really been caused, as the Berlin leaders have claimed, by Germany's difficulties in procuring the money necessary for reparation payment at maturity in January, 1922, Germany's financial difficulties on that score ought not to have reacted on the rates of the Bulgarian lev, Roumanian leu or Czechoslovakian crown. Now, our diagram (see p. 297) demonstrates that the drop in the German mark, which fell from over 7 Swiss centimes on August 1, to less than 3 Swiss centimes on December 1, 1921, was accompanied by a general drop in the exchanges of the other States of Central Europe. This drop cannot be explained on a rational basis, but is easy to show to what an extent it favors the creation of economic Pangermany.

The drop in the German mark brings its value close to that of the Austrian crown, Hungarian crown and Polish mark. This last-named currency, since the juggling of the Upper Silesia question, has been allowed by the German banking power to recover to a certain extent, thus bringing it back towards the level of the German mark.

The Bulgarian lev has been depreciated in

such a way as to remain at the level of the German mark. The Jugoslavian dinar (which is not shown in our diagram) has been depreciated also, in conditions that are contrary to all reason.

The fiduciary circulation of Jugoslavia, at the close of 1921, was slightly more than four billions of dinars for a population of fourteen million inhabitants. On the whole, since the Armistice, the country has made progress towards getting organized.

Notwithstanding these facts, the dinar has constantly dropped *at the same time as the German mark*. In June, 1919, 100 French francs were worth 150 dinars; in November, 1920, they were worth 230 dinars; in July, 1921, they were worth 300 dinars. After the sudden fall in the mark in September-October, 1921, the dinar fell to such a point that at the close of 1921 100 French francs purchased 530 dinars. The rate of the Jugoslavian dinar remains slightly higher than that of the German mark, but there is very little difference between them.

In Roumania, the phenomenon is still more marked. The artificial drop in the German mark in September, 1921, immediately brought about a formidable depreciation of the leu; an occurence which stupefied and alarmed the Roumanians, and with good reason.

M. Take Jonesco, at that time Roumanian Minister of Foreign Affairs, stated to *Le Temps*,

at the end of September, 1921 : « This decline is inexplicable. There has been no increase in the amount of lei put into circulation. It remains at eleven billions, a figure normal enough for seventeen millions of inhabitants. Up to the month of August, our exports were 1,028,000 tons of cereals, 42,000 tons of wood and lumber and 133,000 tons of petroleum and its compounds. On the other hand, a year ago our exports were much smaller. Crops are in a satisfactory condition, even the maize crop. We are counting on a surplus of cereals amounting to 250,000 cars, or 2,500,000 tons. Our surplus stocks of wood and petroleum and its compounds are very large, and we have suppressed the export taxes. In view of these facts the drop in the leu has no justification. » (See *Le Temps*, September 28, 1921.)

So, in Roumania, the country is getting reorganized, exports are increasing, but, contrary to all previsions and to all economic laws, the leu is declining, *a fact which maintains it at the level of the German mark.*

The case of the Czechoslovakian crown is still more significant. It declined towards the close of 1921, but very slightly, so that at the present time its value is considerably higher than that of the German mark.

This has led to the following result. Czechoslovakia, by reason of its remarkable industrial

equipment, is the only country in Central Europe which is able to compete with Germany in Roumania, Bulgaria, Hungary and Jugoslavia. Under present conditions the value of the Czechoslovakian crown, which is very much greater than that of the German mark, shuts out the Czechs from such competition; and at the same time the agricultural products of Czechoslovakia will meet with competition from those of Hungary.

The considerable difference in value, which was suddenly created at the close of 1921, between the Czechoslovakian crown and the German mark has already produced its effects. Czechoslovakian industry is suffering heavy losses, German industrial products are sold much more readily in Czechoslovakia, and the Czechoslovakian agriculturists are placed in a position where they are obliged to demand protectionist measures : a demand which is causing the Prague Government new embarrassment.

On the whole, the movement of the Czechoslovakian crown, at the close of 1921, was made to the exact extent required to place difficulties in the way of the competition of the industrial products of Czechoslovakia with German products, and to render unproductive the export trade so necessary to the Czechoslovakian State, so detested by the Pangermans.

At the present time, appraising the situation

all in all, we arrive at the following conclusion : the sudden decline in the mark at the close of 1921 has resulted in lowering the rates of exchange in all the other countries in Central Europe, contrary to all economic laws. A further consequence is that they are now grouped around the level of the German mark, with their value fixed at a rate most favorable, as a general thing, to German trade.

It is highly significant to note that the new sudden decline in the mark in July-November 1922 offered exactly the same general political and economic characteristics (see p. 372).

2nd. The German mark, systematically depreciated, has become the international money of an immense market of two hundred and forty-four millions of consumers, monopolized by Germany, covering a territory which is identical with that foreseen by Pangerman Mitteleuropa.

This result has been obtained by the organized depreciation of the mark, and the grouping, either at its level, or nearly so, of all the other exchanges of Central and Eastern Europe, the Balkans and the Baltic countries.

Moreover, now that the agents of Germany : Lenin, Bronstein *alias* Trotzky, Sobelsohn *alias* Radek, and their associates have succeeded in completely destroying the Russian rouble, it will be necessary, in order to reorganize Russia,

to endow that country with an international currency with a monetary unit of low value.

The Pangerman leaders have depreciated the German mark precisely in order that it may assume that role.

The German manipulation of Continental exchanges, which, as we have already seen, they have openly admitted (see p. 289), and the final drift of which we are now studying, certainly was decided upon by the Pangerman leaders shortly after the Armistice. One can prove this to one's entire satisfaction by means of this other admission, made by the *Vossische Zeitung* on December 6, 1920.

« *Before long the world will find itself divided into two camps : the countries with low exchange and the countries with high exchange, and the gulf separating them will, doubtless, remain unfilled for several generations.*

« *Until such time the countries of Eastern and South-Eastern Europe will remain bound together by a bond stronger than that of alliances and treaties : the bond of exchange. The economic leader of these weak and new born States will be Germany.* » (Quoted by *Le Siècle*, December 16, 1920.)

The general result of our investigations is epitomized in the map on the page 313, showing that Pangerman Mitteleuropa has been created and exists at the present time, by the

combined action of the German seizure of Russia, thanks to self-styled Bolshevism, and of the German influence on exchange. *In fact, a monopoly of trade is assured Germany in a gigantic territory containing two hundred and forty-four million consumers.* The 130,000,000 Russians are too thoroughly ruined, at the present time, to be paying customers. They are the customers of tomorrow, but in the meantime, Russia, exploited by the Germans, can furnish them a great quantity of raw material for almost nothing. However, the 114,000,000 inhabitants of the Baltic States and Central Europe are actual customers, paying the Germans *because their exchange has been brought to the level of the German mark.*

In order to consolidate this situation, a new German manœuvre is beginning.

British merchants are complaining of the fluctuations of the mark, which is still further paralyzing their activities and increasing the number of British unemployed workmen. « Let us remedy this evil, » replies the German Government. « Gentlemen of England, help us to stabilize the rate of the mark. » Then appears the theory of the « devalorization » of the mark, offered to the English by the Pangerman leaders as the prime condition requisite for restoring the finances of the Reich, and consequently of Europe, to a healthy condition.

THE IMMENSE ECONOMIC TERRITORY RESERVED FOR GERMAN COMMERCE

(Result of German Influence on Russia and on rates of exchange)

Population	Millions
Russia	130
Finland	3
Esthonia	2
Lettonia	2
Lithuania	4
Poland	30
Czechoslovakia	14
Austria	7
Hungary	6
Roumania	17
Jugoslavia	14
Bulgaria	5
Greece	3
Total	244

Comdt. P. Pollacchi

But let us note very carefully that the protagonist of this theory is the Jew Parvus, Ludendorff's agent, and one of the creators of Bolshevism (see p. 234). This individual, moreover, is the one who discovered the exceedingly interesting formula showing how Russia can become the reservoir of a mercenary army, at Germany's disposal (see p. 237). The fact that the theory of the « devalorization » of the mark originated with him ought to be sufficient to inspire one with the greatest distrust regarding it, or else admit that it commands respect when one realizes that the object of the « devalorization » of the mark is to stabilize the mark at a very low rate selected by the Pangerman leaders; thus guaranteeing that it would remain *de jure* the international money of the vast economic territory which has already been successfully reserved for it *de facto*.

In practice, therefore, the « devalorization » of the mark would amount to a confirmation by the Allied Powers of the gigantic economic monopoly which their inconceivable blindness has permitted Germany to create.

3rd. The creation of this economic Pangermany, by the fact of the exchange situation, is leading to the intellectual and political servitude of nations that have been collected therein in spite of themselves.

In Jugoslavia, Roumania, Czechoslovakia and Poland, all of which countries are sincere friends

of France, forming a group with seventy-five millions of inhabitants, French books, as a result of the present exchange situation, cost unheard-of prices. This fact enables German books to capture this enormous market.

After the Armistice a great number of young men: Jugoslavs, Poles, Roumanians and Czecho-slovaks were very glad to come to the French universities to pursue courses of study. The constant depreciation of the money of their respective countries has gradually compelled them to leave France. Many of them are now obliged, despite their repugnance, to go to Germany to continue their studies. In order to accelerate this movement German propaganda is offering certain ones, particularly Roumanians, complete hospitality in any university town in Germany.

The Governments of the above-mentioned countries, friends of France, would like to send a great many of their officers to the French military schools. The rate of exchange prevents them from doing so. There are French military missions at Prague and Warsaw. The salaries of the officers composing these missions have become more and more of a burden for the Poles and Czechs, on account of the continual decline in their currencies.

The German manipulation of exchange leads, consequently, to the intellectual domination of

those Slav and Latin countries in Central Europe most opposed to Teutonism. It is also organizing an intellectual blockade of France. It is evident that, were this situation to be prolonged, economic Pangermany, virtually in existence, would result inevitably in political Pangermany.

IV

German manipulation of exchange ought to be tolerated no longer.

1st. It is placing all of Central and Eastern Europe under the Pangerman yoke.

The German banking manœuvre, towards the close of 1920, which succeeded in causing an artificial decline of 30 % in the Polish mark (see p. 293) suddenly brought on, for the Poles, a new crisis of the high cost of living. Government employes suddenly found it impossible to live on the salaries which, although extremely modest, had hitherto been sufficient to enable them to make both ends meet.

A commission, made up of representatives of the workers, employers and the Government has established the fact (see *Le Journal de Pologne*, January 12, 1921) that the maintenance of a family in December, 1920, cost from 31 % to 47 % more than the previous month. Consequently, on January 10, 1921, the Ministerial

Council decided to raise the supplementary indemnity for the cost of high living to 400 %, beginning January 1, for office-holders of the first class. The only way for the Polish nation to meet such unexpected and crushing charges was to issue new paper money. From that time on the nation itself contributed to the depreciation of its mark, but one must realize that, in this case, the Polish nation *really* depreciated its mark only because it had been *artificially* depreciated by the manipulation of the German banks. This manœuvre, which was a prodigiously cunning one, finally resulted in forcing its Polish adversary to a sort of financial suicide. Now, such a proceeding is inadmissible in a state of peace really worthy of the name.

Moreover, the action of the German banking power has not been confined to the Polish mark. It has been directed just as aggressively against the Roumanian leu, the Czechoslovakian crown and the Jugoslavian dinar, thereby placing Roumania, Jugoslavia and Czechoslovakia in intolerable situations. The manipulation of exchange by the German banking power has resulted in nullifying every effort at reconstruction in these States, in subjecting the Slav and Latin countries of Central Europe to Germanism; in reducing them to economic servitude, because they are no longer able to trade with any other country but Germany; and to intellec-

tual servitude, because they are no longer able to have their young men study in whatever country they wish.

2nd. By shutting out France, Belgium, Italy, Great Britain and the United States from trading with two hundred and forty four millions of consumers, German manipulation of exchange is the principal cause of the world-wide industrial crisis that now exists.

Bolshevism, under the direction of the Berlin agents, has already succeeded in withdrawing 130,000,000 Russians from the commercial field of the Allied Powers. This situation will last for a long time, for the unfortunate Russians have been so impoverished by the rule of Lenin and Bronstein, *alias* Trotzky, that they will not be able to purchase in a normal way for a long time to come. But there still remained 114,000,000 consumers in the Baltic countries and Central Europe who were still in a position to buy goods and pay for them. As a result of the exchange crisis, these countries have been artificially shut off from trading with the Allied Powers. *This state of affairs will continue to exist if the Germans are allowed to keep manipulating the rates of exchange.* However, it is impossible to tolerate such a thing, for it would mean allowing a continual aggravation of the world-wide economic crisis.

V

We have just seen the gigantic results which Germany obtains by means of her action on Continental exchange. She obtains these results with the utmost facility, and by advancing comparatively small sums of money. The depreciation of the Polish mark, on the occasion when Germany sold them for future delivery, certainly did not cost the latter country more than a few hundred million marks, and the operation repaid her a hundred-fold by its political advantages and economic profits.

In reality, German manipulation of Continental exchange constitutes an astonishing stroke of political jiu-jitsu, producing prodigious results simply because the Allied leaders are ignorant of political jiu-jitsu; in other words, because they have not the slighest idea of the war of political sciences.

The *Deutsche Bank*, its countless associated banks in Europe, and its powerful satellite banks in London and New York (see p. 214) influence exchange just as they wish, because they constitute a world-wide organization of boundless power, against which its opponents, as yet, have not even thought of organizing defensive measures. The manipulation organized by these banks is developing all the more

eagerly because it procures astonishing profits.

The greater part of the astonishing fluctuations in exchange which we have witnessed since the Armistice are in reality immense stock exchange deals, the plan and time of which were decided upon by the dozen German-Jewish financiers who constitute the General Staff of the *Deutsche Bank*. Later on these Pangerman financiers let their principal associates and foreign accomplices into the secret, and on the appointed day the manœuvre that has been planned is launched, to bull or bear such or such exchange.

Under existing circumstances, the success of such an operation is certain in advance, because it meets with no opposition. It is a well-known fact that it is possible to play a stock for a rise or a decline, and provided one has sufficient capital to carry on the operation for a time, one can surely bull or bear that stock if it is not protected. A powerful banking organization such as the German one can, therefore, very easily bull or bear a rate of exchange, since, during the long period of time that has elapsed since the Armistice, *no one, as yet, has thought of putting a stop to this German activity*. However, nothing is simpler. The German banking organization is a marvellous machine, but highly complicated. A little stone, put in the proper place in one of the gears is able to stop

it from running. In order to put a check on German manipulation of exchange, it is sufficient for the Allied nations which she has so seriously injured, to create the counterpart of this machine. It must be understood that they must take their stand unequivocally on the ground of « the war of political sciences » which the Pangerman leaders are waging on them.

For instance, if this point of view had been understood when the Germans were selling the Polish mark for future delivery in November, 1921 (see p. 294), the French Government would have had a political interest of prime importance in devoting a hundred million francs to the re-purchase of these marks which the Germans sold for future delivery. If Paris had taken this attitude, counteracting the Pangerman action, at the end of a couple of weeks — long before the hundred million francs had been used up — it would have become impossible for the Germans to continue selling for future delivery, for, in these circumstances, this would have become much too onerous for the Reich. By such action the artificial depreciation of the Polish mark would have been prevented and Poland would have been greatly strengthened thereby : a fact which would have redounded to the unquestioned interest of France.

But the French Government leaders could not

think of protecting the Polish mark because they have not yet thought of protecting the French franc.

Every day the rate of the French franc is telephoned from the Geneva Stock Exchange to the Paris Bourse. The latter institution is satisfied with docilely registering this quotation. Now, the rate of the French franc at Geneva is subject to all the bull and bear influences of the German banking power, which operates on it without any opposition. The same holds true for the Roumanian leu, the Jugoslavian dinar, the Czechoslovakian crown and the Polish mark: all of which currencies, in reality, are at the mercy of the Pangerman wishes of the *Deutsche Bank* and its manifold agents.

It is evident that the people of the Allied countries ought not to allow such an anomalous situation to continue, for it is leading them to out-and-out ruin, and is due to the inconceivable lack of comprehension on the part of those at the head of their respective Governments.

Later on I shall set forth the initial indispensable measures to be taken in order to prevent the Pangerman leaders from continuing to exercise their influence on Continental exchange.

CHAPTER IX

WHAT MUST BE DONE TO PUT A STOP TO THIS BAMBOOZLING

I. **It is necessary to understand the mechanism of the Gulling of France ever since the Treaty of Versailles.** 1st. How the Cannes Conference was prepared at London (November-December, 1921). 2nd. Cannes simply meant putting on record decisions already taken at London, but the tendency towards an Anglo-Franco-German pact, once revealed, prevented Rathenau's complete success (January, 1922). 3rd. The Genoa trap (May-June, 1922), the Hague Farce (June-July, 1922), the London Conference (August, 1922), and their immediate and logical sequence; Germany will pay nothing for reparations.

II. **It is necessary to show up the true character of Mr. Lloyd George's political policy:** 1st. Mr. Keynes, who inspired Mr. Lloyd George's economic policy, is virtually a Pangermaniser. 2nd. Mr. Lloyd George's political policy, ever since the Armistice, has been disastrous in its consequences to the British Empire. 3rd. The economic conceptions so highly extolled by Mr. Lloyd George were not accompanied by sufficient technical justification. 4th. Mr. Lloyd George's policy was neither British, nor European; as a matter of fact, it favored no one but the Pangerman Jews.

III. **It is necessary to hold fast to certain proved facts and to correct certain errors :** 1st. To say that Germany is unable to pay is a falsehood. 2nd. The Treaty of Versailles ought not to prevent seeing the *de facto* situation. 3rd. Now is the time for deeds and acts, not for useless and dangerous agreements. 4th. It is highly

important to get back to a state of common sense. This we all need, for at present we are willing to discuss thoroughly ridiculous means of bringing about peace. 5th. The dilemma : « Either the Allies must loan money to Germany to « rehabilitate » her, or else all Europe must go down to ruin », is in reality nothing but a piece of blackmail, based, moreover, on a gratuitous economic affirmation. 6th. Let us not be gulled by catchwords nor slogans. The catchword « The rebuilding of Europe » conceals a gigantic scheme on the part of the German-Jewish supercapitalists. 7th. It is essential that a distinction be made : one ought not to be anti-German, but one ought to be anti-Pangerman. 8th. Peace for France and the whole world depends primarily on the solid organization of Slav-Latin Central Europe.

If we draw the deductions of general import from the established facts, they explain what appears inexplicable in the present situation. Let us formulate them without reticence, for the truth alone can put an end to the prodigious mystification of which the people of the Allied countries are the victims.

Strange as it may seem, the purpose of this mystification is to enable Germany, which was virtually vanquished in November, 1918, eventually to arrive at the Pangerman domination of the world. At the present time, Pangermany in Europe and Asia is on the point of being realized, owing to the combined effect of the German seizure of Russia, the Kemalist victory, the plebiscite trick, the influence of the German banking system on Continental exchange, and the real bankruptcy of France

which will follow as an inevitable consequence of the artificial bankruptcy of Germany. This result has been possible because the Pangerman leaders, since the Armistice, have been aided to a constantly increasing extent by Messrs. Wilson and Lloyd George and the Italians.

The Treaty of Versailles, particularly as regards reparation, was drawn up against France's interest, by means of clauses intended to allow Germany to evade actual payment.

I

I have lacked space in this book to set forth the veritable political policy followed by the Government leaders at Rome since the Armistice; a policy insufficiently known. However, one fact of public notoriety will suffice for my demonstration : Italy has always supported Mr. Lloyd George's propositions tending to allow the Germans to avoid paying France.

This attitude is very easy to explain. The Italian Government leaders, Messrs. Giolitti, Nitti and others, have long been noted for their pro-German sentiments. The great German influence on the Italian banks and newspapers is well-known; and above all, the jealousy of the Italian people towards France is so strong that it prevents them from realizing the fact that in working for the downfall of France,

they are delivering themselves up to Pangermanism.

The astonishing attitude of the London Government — from the Armistice until Lloyd George's resignation (October 19, 1922) — can be understood, too, but on condition that one admits that there are, in reality, two Englands. However improbable the fact may seem, official England is in the hands of a group of politicians, the most influential of whom are Jews of German origin, as has been set forth in the beginning of this book. These men did not wish to have England come into the war against Germany. They supported the war despite themselves under pressure of British public opinion, which was perfectly loyal. Since the Armistice this group has extended its influence to an enormous extent, particularly by having its friends buy up a great number of newspapers. These journals, falling more or less under the German-Jewish influence, have succeeded, in the past two years, in turning part of British public opinion against France. In reality, British public opinion is always in good faith, but it has been all the more easy to lead it astray with respect to the true situation in Europe from the fact that, since the Armistice, it has fallen back into its state of insularity. As a result of this condition, British public opinion, as a general thing, takes very little interest in Continental affairs.

Mr. Lloyd George's political policy, beyond a doubt, served the interests of the financial group by whom he was surrounded. It favored the operations of this group in foreign exchange, its participation in German affairs, its collaboration with the Pangermans for the purpose of exploiting the natural wealth of Russia. However, from a practical standpoint, Mr. Lloyd George's policy was contrary to the interest of the great body of British business men, manufacturers and workmen, because this policy contributed, to a very considerable extent, towards bringing about an unprecedented unemployment crisis, for the technical reasons set forth on page 350. Now, this situation is understood by a very great number of Englishmen whose opinion is the same as *The Jews' Who's Who* (see page 11 of that work) : namely, that it was the Jews of German origin, but naturalized British, who saved the German army from defeat by means of the Armistice ; who defrauded England of the indemnity to which she had a right, and who destroyed the security of British industry. But, for the time studied, these Englishmen — thoroughbred Englishmen — were out of power, and had to submit to this sort of servitude, even though they were complaining with ever-increasing vehemence.

This general statement of the situation explains why a sort of agreement on the part of

Rome, London and Berlin against France, has been possible. ***The result of this has been the mystification in three acts at which we are assisting: first act, the Armistice; second act, the Treaty of Versailles; third act, the Conferences.***

The object of these Conferences is to bring about the gradual disappearance of those obligations imposed on Germany, which, owing to circumstances, it was impossible to leave out of the Treaty of Versailles. In order to make these conferences succeed, they have taxed their ingenuity to see to it that, at these meetings, France should remain isolated between Italy and Great Britain; Japan following the latter, in her capacity as an ally, and Belgium, as a matter of fact, being neutralized by England. For that reason, contrary to all common sense and justice — through the fault, moreover, of the French Government leaders — the representatives of Poland, Roumania, Jugoslavia, Czechoslovakia and Greece (in the time of Venizelos); countries which, however, formed a group containing eighty-three millions of Continental Allies, were always shut out from the conferences, *for the mere fact of their presence would have prevented the hood-winking of France, inasmuch as these States have an absolutely vital interest in the strength and rehabilitation of France.*

In fine, France has been invited to the conferences only when everything had been arranged in advance, and they were certain to outvote her on every point.

These tactics have been accompanied by a verbal camouflage of extraordinary intensity ; in other words, by a radical opposition between the words and the facts, as great as the difference between black and white.

In conformity with our method, let us verify these allegations by means of unquestioned facts. Mr. Lloyd George, replying on January 17, 1922, to a telegram sent him by the new President of the French Council, M. Poincaré, said to him : « Suffice it to say that we (the British Ministers) regard the protection of French soil against German aggression, *the payment of reparation to France for her devastated regions, and a firm maintenance of the clauses of the Treaty of Versailles*, as common interests of the French and British peoples, who ought to agree in order to guarantee them. »

These assurances, which were given in a text written by Mr. Lloyd George, dated January 17, 1922, are perfect. Let us see how the facts of the two preceding months agree with these assurances.

1st. The essential object of the Cannes Conference was to get France to agree to the arrangements made, during the summer of

1921, between Hugo Stinnes, Rathenau, Lenin, Krassin and the financiers of the Lloyd George group, for the exploitation of Central Europe and Russia for the profit of the Anglo-Judeo-German financial syndicate. With this end in view, they resolved to get France to agree to a financial consortium, a moratorium to be granted to Germany, an Anglo-Franco-Italian alliance and an international conference which would sanction the whole proceedings.

THE CONSORTIUM. — In the latter part of November, 1921, Hugo Stinnes, Pangermanism incarnate, and Walter Rathenau came to London, one following the other at a brief interval, to come to a definite agreement with the financiers of the Lloyd George group. The *Pall Mall Gazette and Globe* explained the matter in this wise : « ***Certain British financial and industrial circles consider that the restoration of the German market is essential to the rehabilitation of the financial situation of the nations and as indispensable to the restoration of certain British enterprises with the countries of Central Europe, particularly with the new countries created by the war, with whom the prevailing opinion here is that business can be transacted only by the medium of Germany.*** » (Quoted by *Le Temps*, December 1, 1921.)

The Keynes plan, which is shown on page 347,

calling for a Customs Union in Central Europe, under Germany's control, explains this last sentence, which has a considerable bearing that has not yet been noticed.

Consequently, the *Financial European Corporation*, a consortium or private financial syndicate, has as its object the re-establishment of trade with Russia and Central Europe and « the doing-away with all the obstacles which Europe, after the Versailles Treaty, is opposed to the resumption of international trade ».

This « private » consortium is, in reality, a means of carrying out, despite the eventual opposition of the Allied Governments on the Continent, the plans of Rathenau, Stinnes, Deutsch, Lenin, Krassin, Sobelsohn *alias* Radek and Bela Kuhn regarding the exploitation of Russia and the subjection of Slavic and Latin Central Europe to Germany.

Moreover, this consortium includes American and French financiers, in order that their influence may forestall any opposition on the part of the Washington and Paris Governments.

From the 29th to the 31st of December, 1921, with M. Loucheur, the French protagonist of the consortium, in the chair, British, Belgian and Italian experts, although ignorant of their subject, charged with the « reconstruction » of Central and Eastern Europe, adopted the British plan without even thinking of asking the

opinion of the interested parties : the Russians subjected to Bolshevist slavery, the Poles, Roumanians, Czechoslovaks and Jugoslavs.

THE MORATORIUM. — It is easy to understand that Stinnes and Rathenau have said to the financiers who have an influence over Mr. Lloyd George : « If we allow you to obtain an interest in our operations in Russia, you, in turn, will do what you can to prevent our being compelled to pay the French. »

As early as November 12, 1921, the *Daily Express* made the following announcement : Sir John Bradbury, the British delegate to the Reparation Commission, and Lord d'Abernon, British Ambassador at Berlin (whose affiliations with the Pangermans are of public notoriety) are of the opinion that a three years' moratorium ought to be granted to Germany. (Quoted by *L'Intransigeant*, November 13, 1921.)

On November 22 the *Westminster Gazette*, owned by Mr. Alfred Moritz Mond, Member of the Privy Council and the son of a naturalized German, openly came out in favor of a moratorium for the payment of the German indemnity. Germany, realizing that she was upheld once more by Mr. Lloyd George, who is openly hostile to any measure tending to bring about the execution of the Treaty, declared that it could not pay on January 15, 1922, in conformity to

the schedule of payments established in May, 1921.

THE TRIPLE ANGLO-FRANCO-GERMAN ALLIANCE. — Rathenau and Stinnes had a particularly bold scheme. They said to themselves : « In order that Germany may be able to exploit Russia and Central Europe in peace, it is expedient that a condition of affairs be created which will compel France to withdraw its attention from that subject. The French are beginning to have no further confidence in the Treaty of Versailles. Let us replace that « scrap of paper » by another which will create enough illusions to make the French believe that they are guaranteed on the West, and consequently they will pay no further attention to the Central and Eastern part of Europe. » Starting from this point of view, Herr Rathenau induced Mr. Lloyd George to agree to the fantastic idea of a triple agreement between France, England and Germany, the admirable object of which would be to « guarantee one another mutually against any aggression. »

This fine plan was launched publicly in London on December 19, 1921. (See *L'Écho de Paris*, December 20, 1921.)

In fact, the public was soon informed that Mr. Lloyd George's guarantee plan included France's abandonment of the left bank of the Rhine.

PREPARATIONS ARE MADE FOR THE CONFERENCES OF REGISTRATION. — These three projects having been put in shape, the only thing that remained was to impose them on France.

Everything was so well understood between the principal actors in the great comedy that was about to be played that their secret was let out. *Germania*, on December 27, 1921, was imprudent enough to print the following statement :

« *Matters of great political importance are under way, but silence must be observed at Berlin, as well as at Paris and London.* » (Quoted by *L'Echo de Paris*, December 28, 1921.)

The important matters to which it referred are summed up in the Rathenau scheme, which was enthusiastically adopted by Mr. Lloyd George, who took it upon himself to get the French to swallow it. The project was defined by the *Morning Post* as follows : « The great scheme for the economic reconstruction of Europe is essentially Teutonic. Germany is to pay the reparation bill and contribute to the re-opening of the European markets, by exploiting Russia. This project involves recognition of the Bolsheviks and the revision of the Treaty of Versailles.

« Furthermore, it involves the replacing of the Allies by a new group of States, among which will be found ex-enemies, such as the

Germans, and hostile organizations, such as the Soviets. It is an amazing project. » (Quoted by *Le Matin*, December 29, 1921.)

2nd. Mr. Lloyd George put the program, as arranged, into rapid execution. From the 6th to the 11th of January, 1922, he had the decisions adopted which had been reached in London. But the projected pact of security for France did not pass. Furthermore, in Paris the sentiment was unequivocal that, according to Mr. Lloyd George's intentions, his project was due to terminate eventually in a pact taking in France, England, Italy and... Germany!

In short, the pact was becoming a pact of security for the Pangerman enterprises; for France, it was becoming a stout noose.

The astounding news from Cannes caused a profound sensation in the French Senate and Chamber of Deputies. This impression was all the greater because the news was absolutely contrary to the expression of opinion Parliament had given M. Briand, as well as to the sentiments expressed by the latter in the plain statements he had made shortly before the Cannes Conference.

On January 11, 1922, M. Briand, President of the Council, found it necessary to leave Cannes and tender his resignation. He was succeeded by M. Poincaré, just before the Genoa Conference.

Mr. Walter Berry, President of the American Chamber of Commerce in France, who is an exceedingly shrewd observer of events, stated in *Le Matin* of January 22, 1922 : « The Genoa Conference is a wasps'-nest ; a wasps'-nest invented by Germany... Is there a single conference since the war from which France has not come with diminished credits and in the wrong? »

It would be a difficult matter to express in better terms the fact that, so far as France is concerned, the Conferences have been, in fact, veritable traps.

3rd. The Genoa Conference, which met on April 19, 1922, still further justified these views. Mr. Lloyd George declared : « We have met here on a basis of equality. Here we are neither Allies nor enemies, etc. » The effrontery of the Bolsheviks grew apace under this encouragement. Their representatives, Chicherin and Sobelsohn *alias* Radek, put in a claim for fifty billion gold roubles as an indemnity for the anti-Bolshevik expeditions. Despite this outrageous demand, Mr. Lloyd George prevented all rupture of negotiations. Next, the Germans, feeling that they were free to do anything, and wishing to obtain the tacit consent of the Allies to their seizure of Russia, made public on April 17, 1922, the treaty signed the day before at Rapallo between the Pangerman Jew, Dr. Rathenau, on behalf of the Reich, and Chicherin,

representing the Soviets ; in other words, on behalf of those who had already sold Russia to Germany by the Treaty of Bresk-Litovsk. These bold tactics were successful. Mr. Lloyd George managed to have the Genoa Conference go on, although the Rapallo disclosure should have led to its immediate dissolution. After causing a tentative ultimatum to the Soviets to be transformed into a simple memorandum, Mr. Lloyd George still further accentuated his *rapprochement* towards the Germans and their cronies the Bolsheviks. On April 23, 1922, he declared : « The confidence of the British people in the agreements between the Allies has cooled. The British democracy will turn towards co-workers for peace in every country, whatever that country may be. » (See *L'Éclair*, April 24, 1922.) On May 6, 1922, Mr. Lloyd George explained the meaning of his words by speaking of « new friendships. » (See *L'Écho de Paris*, May 7, 1922.) It is interesting to note that this expression is analogous to the one he had previously used in his statement to Reuter's Agency in May, 1921. (See p. 134.) The Soviet reply to the memorandum was purely derisive, and the Genoa Conference accordingly came to an end on May 19, 1922, without any apparent solution. But Dr. Loebe, President of the Reichstag, and Herr Muller, a member of that body, stated that the results of the Genoa Conference

surpassed Germany's most enthusiastic hopes.

« Genoa », so they said, « is only a part-way station; it will speedily be followed by another conference which will accomplish further progress. » (See *Le Temps*, May 22, 1922.) *Germania* stated : « Genoa has certainly helped us to a considerable extent. » (See *La Politique*, Brussels, June 4, 1922.)

In reality, the Genoa Conference was a reunion managed from behind the scenes by the oil barons, for the most part Jews, who, as a matter of fact, have been directing world-affairs ever since the Armistice. Prominent among these was Mr. Robert Waley Cohen, President of the *Shell* Oil combination, which is controlled by the Samuel tribe, colleagues or friends of Mr. Lloyd George. (See p. 7.)

On May 24, 1922, as had been anticipated for several months, the Reparation Commission, at Mr. Lloyd George's suggestion, called a meeting of the International Bankers' Committee for the purpose of ascertaining under what conditions an international loan could be granted to Germany, the ostensible object being to enable Germany to meet the reparation payments. This International Bankers' Committee, most of the members of which were of German-Jewish origin, included Herr Bergmann, German Secretary of State, and consequently judge and suitor. He was supported, behind the scenes,

by a number of German bankers who came to Paris: Franz Mendelsohn, Franz Urbig, Director of the Disconto Gesellschaft: Louis Hagen, von Havenstein, Director of the Reichsbank, and Felix Deutsch, the *alter ego* of Dr. Rathenau, President of the A. E. G. The Reparation Commission indicated the purpose of this meeting by authorizing the Reparation Committee, if it deemed it necessary, to consider a reduction of the German reparation debt. On June 10, 1922, the Bankers' Committee declared that a loan to Germany would be possible only on condition that the German reparation debt be materially reduced, and that a considerable portion of the amount realized from the loan be turned over to Germany. Consequently, the initiative of the Reparation Commission tended to the suppression of the reparation due from Germany. Chancellor Wirth was perfectly right, therefore, when he stated on June 25, 1922, in the Reichstag: « The decision of the Bankers' Committee ought to serve as the basis of our foreign policy. » (See *L'Écho de Paris*, June 26, 1922.)

The Hague Conference began on June 15, 1922, in this atmosphere so favorable to the Germans. It soon became evident that the principal programs of the Genoa Conference, ostensibly seeking the reconstruction of Europe, would evolve, at the Hague, into a movement to link up German commerce with Russia.

Those former agents of the German General Staff : the Jew Finkelstein *alias* Litvinoff, and the Bulgarian Rakowsky, right-hand man of Parvus the Jew, were associated with Krassin (See p. 235 and following pages) as experts representing Russia. Hugo Stinnes came to the Hague for a few days to cast the master's eye over the situation, and to watch the progress of the Anglo-Germano-Soviet consortium. So far as possible, newspapermen were excluded from the important deliberations of the Conference, as its real leaders had the best of reasons for wishing to avoid publicity.

The announcement of the assassination of the Pangerman Jew, Dr. Walther Rathenau, who was put out of the way on June 24, 1922 by some out-and-out Pangermans who did not realize the advantages of his elastic Pangermanism, did not discourage the representatives of the Soviets. On June 25, Finkelstein, *alias* Litvinoff, unequivocally declared : « We must have money, from whatever source it come : otherwise all discussion is useless. » (See *Le Matin*, June 27, 1922.) Despite the coarseness of this prodigious blackmailing scheme, the Conference, ever under Mr. Lloyd George's influence, accepted this claim as the starting-point of the discussion. On June 30, Finkelstein demanded 3,224 millions of gold roubles for the reconstruction of Russia. During the dis-

cussion regarding private property on July 8, Krassin came to Sir Lloyd Graeme and begged him not to pay any attention to his public statements, as they were merely a gallery-play for the benefit of the simple Communists at Moscow. He assured him that behind the scenes they could come to an understanding on a different basis from the one given out in public.

This series of monstrous events so clearly demonstrated the impossibility of conducting any serious negotiations with the Soviets that the Hague Conference was officially dissolved on July 14, 1922. It continued, as a matter of fact, for a certain time through the action of the oil interests, particularly the representatives of the « Royal Dutch » and « Shell » companies, surrounded by a swarm of unscrupulous business-men and brokers of every stripe.

Shortly before the close of the Hague Conference, on July 4, 1922, the mark, which on that date was worth only 2-3/4 centimes at Paris, began a new downward plunge. This downward movement presented various characteristics. (See pp. 296 and 372.) The question, first of all, was once more how to avoid reparation payment. Consequently, dating from July 12, the Germans asked the Reparation Commission for a moratorium, stating that it was impossible for them to pay. The new grant of a morato-

rium to Germany is passing through the following principal stages.

The London Conference began on August 5, 1922. M. Poincaré began by stating that France did not wish to grant Germany a moratorium without productive guarantees, and that the Balfour Note, dated August 2, 1922, was constraining France to pay without being paid. Mr. Lloyd George opposed any measure involving practical guarantees or compulsion with respect to Germany. On August 12, M. Poincaré abandoned the greater portion of his program; Mr. Lloyd George became all the more unyielding, and advocated a moratorium for Germany without any sort of guaranty. Inasmuch as M. Poincaré could not yield this point, the London Conference came to a close on August 14, 1922, without any decision being reached.

For a brief period Berlin feared that France would resume her liberty of action with regard to Mr. Lloyd George; however, the Germans were speedily reassured by the attitude of the Reparation Commission. As early as August 6, Sir John Bradbury, M. Lloyd George's mouthpiece at the Commission, proposed the following resolution to that body : « By reason of the existing financial situation in Germany and the collapse of the mark, the Reparation Commission considers that it has become necessary, for the remainder of the year 1922, to suspend

all payments in specie, payable by Germany in foreign money on account of obligations imposed by the Treaty. » After considerable backing and filling, the Reparation Commission, while ostensibly rejecting a moratorium without guarantees, granted it in reality on August 31, 1922 in a camouflaged form, granting certain slight concessions to Belgium and none whatever to France. Moreover, *Germania* stated : « The decision of the Reparation Commission is tantamount, in point of fact, to a moratorium. » (See *Le Matin*, Sept. 2, 1922.)

After this lengthy succession of facts, confirmatory of those already pointed out on page 162 and following pages, one is forced to the following conclusion : during the Lloyd George's government, the Reparation Commission, ostensibly created to compel Germany to make reparation after the Armistice, has in reality made every decision of a nature to hinder Germany from making sufficient reparation, and has systematically shut its eyes to the manifold measures taken by Germany in order to put herself knowingly in a condition where it will be impossible for her to pay.

II

Mr. Lloyd George has justified the new extensions of payment granted the Germans and the

other measures he had adopted (!) at Cannes on the ground of the sudden drop in the mark at the close of 1921; a drop which, it seems, aggravated the British unemployment crisis under conditions that were impossible to foresee when the schedule of payments which was drawn up after the ultimatum of May, 1921, was adopted.

Now we have noted, on pages 296 to 305, every reason that would lead one to think that the drop in the mark, at the close of 1921, was a manœuvre concocted by the Pangerman leaders, in collusion with the financiers of the Lloyd George group, in order to influence British public opinion in a sense favorable to the accomplishment of their plans.

We shall now prove a certain number of facts and coincidences which tend to prove that the reasons given by Mr. Lloyd George are entirely different, and date much further back than those he alleges in order to justify the decisions taken at Cannes.

Is the recognition of Lenin's Government at the Genoa Conference in April, 1922, anything else than the accomplishment of the policy pursued by Mr. Lloyd George ever since February, 1919, when he attempted to have Lenin recognized by admitting him to the Conference at Prinkipo? Now, at that time, when there was no disquieting crisis existing in England, either on the subject of exchange or unemployment,

the sole explanation of this policy was that it was the sequel to a secret Anglo-German agreement concluded at the time of the Armistice, at the joint expense of France and Russia, the latter country being considered as the prey of the German-Jewish financiers.

1st. The economic principle of Mr. Lloyd George's memorandum which was produced at Cannes on January 4, cannot be considered as the consequence of facts which sprang into being at the close of 1921. The reason for this is that the 1922 memorandum is, in this respect, only a replica of Mr. Lloyd George's economic memorandum dated March 3, 1920, to which Signor Nitti, ardent pro-German that he is, so hastily gave adherence. This memorandum, issued in the early part of 1920, was based on the following fundamental principle, which Mr. Keynes at that time was offering as an indisputable truth : « *The rehabilitation of German industry is a matter which concerns the whole of Europe, and it is the duty and in the interest of the Allies to contribute thereto.* » (See *L'Éclair*, March 4, 1920.)

The Lloyd George group immediately deduced from this principle the highly practical conclusion that inasmuch as the reparation due by Germany was supported by the German State, it must be understood that the latter should not impose heavy taxes on German indus-

try, for in that case these taxes would compromise the rehabilitation of German industry, which, as the memorandum had proclaimed, interests the whole of Europe!

This sophistical conclusion, drawn from a principle the truth of which, moreover, never had been established, produced three results. First, it guaranteed the many friends of Mr. Lloyd George who, after the Armistice, had acquired interests in German industries that their dividends would not be diminished by such taxes, inasmuch as the fortunes of the German manufacturers were practically exempted from the heavy taxes which, logically, should have been imposed on them. The second result was that the absence of such taxes helped to make it impossible to make any really substantial payments on reparation account to France. Finally, *this absence of taxation has contributed, to a notable degree, towards assuring German industry such privileged conditions of production, as compared with those in all the Allied countries, that since that time that industry has been able to wage successful competition against them, the principal sufferer being British industry.*

Now let us see what Mr. Keynes' economic policy, which Mr. Lloyd George is following more and more blindly, amounts to in the long run.

Much has been said about Mr. Keynes' book : « *The Economic Consequences of the Peace* », which appeared in 1919, but as yet no one has called attention to the essential passage therein which enables one to get a better grasp of the scope of the Cannes decisions.

In the chapter of his book entitled « *Remedies* », on page 248 of the English edition, he states :

« A Free Trade Union should be established under the auspices of the League of Nations, of countries undertaking to impose no protectionist tariffs whatever against the produce of other members of the Union. Germany, Poland, the new States which formerly comprised the Austro-Hungarian and Turkish Empires and the Mandated States should be compelled to adhere to this Union for ten years, after which time adherence would be voluntary. » (*The Economic Consequences of the Peace, by John Maynard Keynes. Macmillan and Co, London, 1920.*)

Now the Pangermans, in order to begin to carry their plan into execution, never have called for anything but a *Zollverein*, or Customs Union in Central Europe.

The ten years' period which Mr. Keynes claims that this Union requires, *and which he wishes to be compulsory*, is more than enough

to enable Germany to effect the economic and political subjection of Central Europe. Consequently, Mr. Keynes' plan amounts to giving the Germans *carte blanche* to bring about the accomplishment of the Pangerman plan of 1895 (See p. 90).

It is true that Mr. Keynes admits that what he recommends ressembles Mitteleuropa, but this fact does not disturb him, for with amazing candor he affects to believe that it is possible to construct an air-tight partitition between the economic and political questions. This point of view, which is radically false, leads him to declare himself serenely in favor of delivering up Russia to Germany. In fact, he says, on page 275 of the same book :

« Germany, on the other hand, has the experience, the incentive and to a large extent the materials for furnishing the Russian peasant with the goods of which he has been starved for the past five years, for re-organizing the business of transport and collection, and so for bringing into the world's pool, for the common advantage, the supplies from which we are now so disastrously cut off. It is in our own interest to hasten the day when German agents and organizers will be in a position to set in train in every Russian village the impulses of ordinary economic motive. This is a process quite independent of the governing authority in Russia...

« *Let us then, in our Russian policy, not only applaud and imitate the policy of non-intervention which the Government of Germany has announced, but desisting from a blockade which is injurious to our own permanent interests, as well as illegal, let us encourage and assist Germany to take up again her place in Europe as a creator and organizer of wealth for her Eastern and Southern neighbors* » (p. 276).

And so, all that Mr. Keynes has found for re-establishing peace and security in Europe is to deliver over Central Europe and Russia to Germany. In other words, according to him, the London Government ought to furnish benevolent aid to the accomplishment of the Pan-german plan for which Germany went to war ! *Therefore, beyond question, all the decisions (!) reached at Cannes ; the consortium, the moratorium and the recognition of Berlin's agents at Moscow, reinforced by the shameless bargaining at Genoa and the Hague ; all of these tend to this result.*

Consequently, Mr. Lloyd George did not have remedies adopted (!) at Cannes which really might have been inspired in his mind by the recent aggravation of the British unemployment problem. On the contrary, his remedies are in conformity with the plan of which Mr. Keynes has constituted himself the propagandist ever since the middle of 1919. The only reasonable

explanation of these solutions is a secret agreement of the Pangermans with the financiers belonging to the Jewish pro-German group in London, who have been hypnotized by the fabulous wealth they think they will derive from the exploitation of Central Europe and Russia through the medium of the Germans.

2nd. The facts ascertained since the principle of the economic memorandum of March 3, 1920 has been put into application prove that if Mr. Lloyd George's policy may be of great service to the interests of the super-capitalists of the German-Jewish financial group, it is plainly contrary to the interests of the vast majority of British manufacturers, merchants and workmen. One cannot insist too strongly upon the fact that the serious crisis through which they are passing arises precisely, to a considerable extent, from the measures adopted by Mr. Lloyd George. Chief among these are : first, the suppression, immediately after the Armistice, of exchange credits to the European Allies, which allowed the exchange crisis, of which the British are complaining so bitterly at the present time, to occur. Second, the privileged conditions — the consequences of the London economic memorandum of March 3, 1920 — given German manufacturers, who are exempted from necessary taxes. These conditions contribute in a large degree towards enabling German industry

to wage successful competition, all over the world, with the products of British industry, which are crushed under the formidable taxes imposed by Mr. Lloyd George's administration. Third, the facilities which the so-called Bolshevist propaganda, in reality of German origin, received from Mr. Lloyd George's flirtations with Lenin and Krassin. This propaganda has largely contributed towards unsettling the conditions of British industrial production, while the Panislamic activities of this same propaganda are manifesting their pernicious anti-British activity in Egypt and India.

These three measures, in their final analysis, make the breaking-up of the British Empire possible.

3rd. Moreover, let this fact be noted. All the so-called measures for the rehabilitation and reconstruction of Europe which Mr. Lloyd George has advocated rest, in all cases, on simple affirmations, without any technical proof whatever. The financiers who were inspiring Mr. Lloyd George said : it is necessary to lend money to Germany in order to improve the rate of the mark, but they entirely overlook any explanations as to why such a loan would lead inevitably to such a result.

As has been proved on page 310, the Pangerman leaders desired the depreciation of the mark, first, to avoid paying reparation, and

second, to make it the international money of a vast economic territory over which they have already succeeded in establishing a monopoly. Parvus the Jew, Ludendorff's agent, and the realist-economist of Pangermany, desires the stabilization of the mark at a very low rate precisely because such action would preserve this monopoly for Pangerman Germany. (See p. 314.) In these conditions, it is impossible to understand how the fact of making a loan to Germany would bring about an inevitable recovery in her mark. The Pangerman leaders, in such an event, will take the money and will maintain their mark at the rate that suits them, *so long as they are allowed liberty to manipulate the rates of Continental exchange*.

Either the facts established in Chapters VII and VIII of this book, with reference to the action of the German banking interests on Continental exchange, are true, or they are false. If false, now is the time to demonstrate the fact. But if they are true, inasmuch as Mr. Lloyd George did not take the German banking action into consideration in his economic projects caused by the exchange crisis, his inactivity on this vital point proves that Mr. Lloyd George was not acquainted with the true cause of the Continental exchange crisis. Consequently, the remedies he was proposing for our consideration could not be the proper ones, so long as

they did not take into consideration the activities of the German banking interests.

4th. These various considerations enable us to set forth at this time the true character ot Mr. Lloyd George's policy, and consequently the real cause of the ever-increasing differences between France and Great Britain since the Armistice.

Is it possible that these difficulties arise from the fact that, as has often been said, Mr. Lloyd George was resuming the ancient British traditional policy which consists in getting the great Continental Powers to neutralize one another, wishing to offset Germany by France? As yet, such is not the case. It is highly desirable that all loyal Englishmen realize that the misunderstanding now existing between France and England arises from a still more serious cause : one which, in truth, could not beforeseen.

Enlightened by numerous facts, the people of France are forced to the conclusion that Mr. Lloyd George considered that France is bound by the Treaty of Versailles, and at the same time, from his point of view, that Germany and Great Britain are not.

Let us recall the irrefutable facts which prove that such is the case. The statements made by General Smuts (see p. 144), Mr. Lloyd George's confidential man, the day after he signed the

Treaty of Versailles, are of a sort to make one believe that, even when signing the Treaty, Mr. Lloyd George had a tendency not to execute it. On June 28, 1919, he signed Articles 227 and 228, regarding the surrender of German criminals, and from February, 1920, was opposed to the carrying-out of those articles. As for the reparation due France, it is undeniably true that Mr. Lloyd George has constantly manœuvred to hinder them from going into effect, by interpreting in Germany's favor the clauses of the Treaty of Versailles regarding reparation. Mr. Lloyd George also signed Article 116 of the Treaty of Versailles, stipulating : « *Germany acknowledges and agrees to respect as permanent and inalienable the independence of all the territories which were part of the former Russian Empire on August 1, 1914... Germany accepts definitely the abrogation of the Brest-Litovsk Treaties, and of all other treaties, conventions and agreements entered into by her with the Maximalist Government in Russia.* »

Now, even before the Treaty of Versailles was signed, Mr. Lloyd George was trying to devise means of securing the recognition of the Maximalist Government, and after the Treaty of Versailles, he shaped his policy towards the delivery of Russia to Germany. The Genoa Conference gave a peremptory demonstration

of this fact, inasmuch as Mr. Lloyd George's semi-official organs had the courage to deny the evidence, by maintaining that the Treaty of Rapallo does not constitute a violation of the Treaty of Versailles.

These are indisputable facts. Consequently, the French people are compelled to recognize the fact, proved by the weight of evidence, that Mr. Lloyd George's political policy was of a sort calculated to bring France into bankruptcy, to leave all France's friends in Central Europe to the mercy of Germany, to deliver Russia over to Germany, leaving the latter country free to organize there at its leisure the immense mercenary army destined, a few years hence, to wage — and at slight cost — the war of revenge which the Pangermans are planning against France.

Consequently, extraordinary as it may be, the French and their friends are face to face with this astounding fact : Mr. Lloyd George was yielding to the suggestions of the German-Jewish financiers by whom he was surrounded, and yielding to such an extent that his policy was neither British, nor European, but plainly Pangerman.

On the other hand, it is now plainly evident that Mr. Lloyd George has been tricked by the Pangermans. In fact, the British crisis has increased in exact proportion to the application

of the measures called for by Mr. Lloyd George ever since the Armistice, at the suggestion of his pro-German friends. It is equally evident at the present time that after appearing to abandon Turkey to England, in conformity to the secret agreement which seems to have been concluded between Berlin and the group surrounding Mr. Lloyd George, the Pangerman leaders, returning to their original program of the Hamburg-to-Bagdad route, have bent their efforts towards having England driven out of Turkey by the Kemalist army, and at the same time the activities of Berlin's agents at Moscow are causing serious unrest in India.

In any event, my opinion of Mr. Lloyd George's policy is justified by that of some of the most prominent Englishmen before Lloyd George's resignation on October 19, 1922.

On March 16, 1922, General Gough declared: « I am opposed to Lloyd George because he and his Government are responsible for the economic crisis existing in England, for the unemployment problem, for the burdensome taxes and for the lessening of British prestige abroad. » (Quoted by *Le Matin*, March 17, 1922.)

Field-Marshal Wilson, who was assassinated on June 22, 1922, by two Irishmen, represented to the highest degree British patriotism, fidelity to plighted word, and the Franco-British Entente Cordiale. On May 3, 1922, he did not

hesitate to say : « It is necessary to choose between the British Empire and Lloyd George. » In his notable speech at Caxton Hall on May 9, 1922, the Field-Marshal went on to explain :

« I worked for years during the war with the Prime Minister and the present Cabinet most cordially and in close agreement. We were working together at that time against the King's enemies. *But since the peace I have noticed that both the Prime Minister and his colleagues have been increasingly inclined to work with the King's enemies. So that really it is not I who have changed my outlook, it is the Prime Minister and his colleagues.* » (Quoted by *The Patriot*, June 29, 1922.)

In its issues of April and May, 1922, the *National Review* designates Mr. Lloyd George as the man « who lost the peace ». On Sept. 12, 1922, the *Morning Post* stated : « The acts of a Government are sometimes nothing but a mass of blunders, but we doubt whether any statesman has ever made as many as Lloyd George. Lloyd George is on the high-road to breaking up the Empire. » (Quoted by *Le Matin*, September 13, 1922.)

These opinions are quite natural, in view of the fact that we are confronted with the following extraordinary facts and anomalies.

Ever since the Armistice Mr. Lloyd George has maintained that it was necessary to leave

Germany sufficiently armed to defend herself against Bolshevism. On the other hand, he has been equally assiduous in protecting the Bolshevik leaders, who are former agents of the German General Staff. By so doing he has countenanced the arming of Russia, which has become a reservoir of mercenary troops for Germany.

What explanation can be given of Mr. Lloyd George's predilection for the Bolsheviks who, in five years' time, have executed 1,764,000 people, principally in order that Russia might become a German colony; whereas the Bolshevist leaders are working on every hand to sap the British Empire, particularly in Central Asia and India? This is proved by a multitude of facts, notably the statement made by the Jew Apfelbaum *alias* Zinovieff. In June, 1922, at a meeting of the Central Committee of the Russian Communist party, Apfelbaum, who was accused of having embezzled three million gold roubles, justified himself by declaring that he had spent three million gold roubles for preparing the proletariat of the world, in view of the Genoa Conference; *and seven million gold roubles for carrying on the plots and revolutionary spirit in India.* (See *L'Eclair*, June 12, 1922; *Le Matin*, June 14, 1922.)

Why has not Mr. Lloyd George seen, for a long time past, what is now plainly evident to so many people? The near future will answer

that question; but for the present, I am compelled to state that we are approaching the moment of danger which I pointed out at the beginning of the Peace Conference.

Before criticizing Mr. Lloyd George's policy in any French newspaper, I made it a point, as a matter of loyalty, first to reveal its dangerous character to British public opinion.

In a letter I addressed to the *Times*, and which it saw fit to publish on April 1, 1919, I said in particular :

« At the present time, in view of the frightful gravity of the situation, I am addressing myself to British public opinion, in order to accomplish what I consider as a conscientious duty, intolerant of any sort of compromise. *On my entire responsibility, I wish to declare that the policy pursued by Mr. Lloyd George at the Peace Conference has a strong tendency to put France and Great Britain in danger.* »

About four years have elapsed since that letter appeared. Mr. Lloyd George has been able to continue his policy, the situation has constantly grown worse, and we are now face to face with the catastrophe which was bound to be its logical result : the eventual bankruptcy of France and the delivering up of Central Europe and Russia to Germany.

III

1st. TO SAY THAT GERMANY IS UNABLE TO PAY IS A FALSEHOOD.

The facts set forth and the figures shown on pages 100 and following pages, and on page 176 and following pages, demonstrate that Germany, with a population of sixty-one millions of inhabitants, could very well afford to pay the sums claimed at the present time, in view of the fact that these sums are much smaller than those which France, with a population of only thirty-six millions, found a way to pay Germany in two and one-half years after 1871.

The truth, in a word, amounts to this : if Germany does not pay, it is solely because she does not wish to, and she does not wish to because she is encouraged in that stand by the attitude of the Italians and the German-Jewish financiers who were surrounding Mr. Lloyd George.

Ever under the influence of its environment, Mr. Lloyd George's Government adopted a measure to which most particular attention should be called, for it has aided Germany in placing herself in a position where she cannot pay. In fact, this measure has been of the greatest assistance in enabling wealthy Germans to place their wealth in security outside of the German Empire. In November, 1920, by a

public declaration. Mr. Lloyd George's Government renounced the article in the Versailles Treaty permitting the seizure of German private property in Allied territory, in the event of the German Government voluntarily defaulting in its obligations. The German capitalists, feeling themselves guaranteed by this declaration, hastened to deposit large amounts of capital and first-class securities in British banks. A financier who is in close touch with the situation assures me that a goodly number of these British banks have been able to utilize these deposits for carrying on their own business, and that some of these institutions would regard with grave apprehension the sudden withdrawal of their capital by the Germans. My informant goes so far as to claim that this fear of withdrawal gives the Germans a hold on a considerable number of financial institutions in London : a fact which would tend to explain the continual measures taken by City financiers in favor of the Germans.

Be that as it may, it is certain that in order to keep its promise given the Germans in November, 1920, not to seize their private property, the British Government, in consequence, has been constrained to fail in the promise it made France when it signed the Versailles Treaty in June, 1919 : namely, to help this country collect the reparation debt.

In the meantime, France is advancing the sums which Germany ought to pay; but by so doing, France is taking the road to bankruptcy.

The question before the world is this :

Ought France, whose independence is the guarantee of the independence of many nations, to go bankrupt because it has suited the Pangerman leaders to organize cynically the fraudulent bankruptcy of Germany?

2nd. THE TREATY OF VERSAILLES OUGHT NOT TO PREVENT SEEING THE DE FACTO SITUATION.

This treaty will remain inapplicable, as regards the clauses referring to reparation, so long as Italy and England do not wish to have the treaty made effective. But this point ought to be noted carefully : the fact that Rome and London are agreed on delivering up Russia to Germany, contrary to Article 116 of the Treaty, involves the necessary consequence that these two Governments cannot claim that France, on her side, is bound by the stipulations of the Treaty of Versailles, inasmuch as they themselves do not consider that they are bound by that instrument.

In fact, it is essential that we realize thoroughly that we are face to face with an actual situation which dominates, and greatly dominates, the Treaty of Versailles.

Not only does Germany, under the Panger-

man leadership of Stinnes and others, not wish to live up to the Treaty, but she intends to dominate Russia and to reduce the Slav and Latin States of Central Europe to servitude, by manipulating the rates of exchange.

This is the *de facto* situation which the public opinion of the world ought to consider above everything else.

To prevent Germany from laying hold of Russia and Central Europe is the most urgent task that now faces the Allies.

3rd. NOW IS THE TIME FOR DEEDS AND ACTS, NOT FOR USELESS AND DANGEROUS AGREEMENTS.

After recognizing the fashion in which Mr. Lloyd George considered himself bound by the Treaty of Versailles (see p. 353), could the French people count seriously on an alliance made with England, so long as the London Government was in the hands of men who were playing the game with the Pangermans, and who saw no objection to delivering up Russia to Germany?

4th. IT IS HIGHLY IMPORTANT TO GET BACK TO A STATE OF COMMON SENSE. THIS WE ALL NEED, FOR AT PRESENT WE ARE WILLING TO DISCUSS THOROUGHLY RIDICULOUS MEANS OF BRINGING ABOUT PEACE.

Ever since the Armistice, German propaganda has been at work among the people of the Allied countries along the lines indicated on page 217

and following pages, to such an extent that a portion of Allied public opinion, systematically brought to a quasi-condition of mental aberration, has reached a stage where it is seriously discussing propositions that are not even worthy of being taken into consideration.

Is it reasonable to take the ideas of Parvus the Jew, Ludendorff's well-known agent, of Stinnes, Rathenau, Deutsch, in other words of all the Pangerman agents, as a basis for the « reconstruction » of Europe? In order to guarantee the security of the Continent, we are told that it is necessary to carry out the program of Rathenau, the systematic organizer of German theft in the occupied regions during the war. Rathenau was the man who, in 1916, set forth in the *Lokal Anzeiger* the argument that it behoved Germany, as soon as peace was concluded, to prepare for the next war (see p. 54), particularly by accumulating stocks of raw material. In order to guarantee peace, it is necessary that Germany should be able, without being disturbed, to form a mercenary army of seven million men in Russia : a decision which was taken in December, 1921 (see p. 239). This force, added to the army of seven million men which Germany is getting ready (see p. 241), will form a body of fourteen million soldiers which will impose Pangerman servitude on Europe and Asia.

Russia, within her existing boundaries, contains about 130,000,000 inhabitants, who, in reality, from a standpoint of what they wish, form two Russias. Nearly all of this population, or in other words about 129,000,000 inhabitants, are decidedly anti-Bolshevist. They detest a so-called system of government which has cruelly decimated them and which has reduced them to such an atrocious condition of slavery that — something unique in modern times — these one hundred and twenty-nine million people have not the right to possess a single independent newspaper in which to express their opinions. Opposed to this Russian Russia, there is another one, which is not Russian. It numbers scarcely one million men, who make up the group of oppressors, under the supreme management of the German-Jewish agents, who are simply Berlin's men of straw at Moscow.

Now we are told that German-Jewish Russia is the only one that counts; that it is the one that must be recognized and treated with!

Lenin, Bronstein *alias* Trotzky and their gang have tyrannized over one hundred and twenty-nine million men for four years. They have conducted, under the name of Communism, an economic experiment for which they claimed marvellous results, but of which they have finally been compelled to admit the absolute

failure. Their regime has cost Russia more men than the war. They have been wrong on every point. They have spent their time in tearing-down. And now these are the very men, so we are told, to whom we ought to lend money and entrust the task of reconstructing Russia! The Russia that must be recognized, so we are informed, is non-Russian Russia, the one which was represented at the Genoa Conference by such men as Krassin, who for twenty years has been the agent of the Siemens Schuckert enterprises, aided by the Jews Ioffe, Sobelsohn *alias* Radek, and Finkelstein *alias* Litvinoff; all of whom, on March 3, 1918, signed the Brest-Litovsk Treaty, delivering over Russia to Germany.

As for the seventy-five million Poles, Czechoslovaks, Roumanians and Jugoslavs, it is needless to ask their opinion; they must agree, without argument, to become part of the Central European *Zollverein*, according to the Pangerman plan countersigned by Mr. Keynes, who, deliberately unmasking his play, did not hesitate to become the collaborator of the *Berliner Tageblatt* during the Genoa Conference.

In order to make peace with the Germans, the system recommended to us has the advantage of simplicity. It consists in saying to them: « You have war-criminals; we abandon the sanctions. You have pillaged and devastated;

you shall pay nothing. You are organizing a fraudulent failure by means of new methods. Fine! your ingenuity deserves a reward. We will lend you some money. »

In a word, in order to insure peace we are doing everything necessary in order to enable the Germans to start another war.

The death of millions of Allied soldiers, the countless sacrifices made by all the citizens of the Allied countries during a frightful war that lasted more than four years, will bring about this result : France forced into bankruptcy, Central Europe and Russia delivered over to Germany, and so enable the latter country to bring Pangermany into being!

Speaking frankly, such a result of the war, *when we are in no wise compelled to accept it*, could be nothing but one of two things : a monumental piece of stupidity or a masterpiece of treachery.

5th. THE DILEMMA : EITHER THE ALLIES MUST LOAN MONEY TO GERMANY TO « REHABILITATE » HER, OR ELSE ALL EUROPE MUST GO DOWN TO RUIN, IS IN REALITY NOTHING BUT A PIECE OF BLACKMAIL, BASED, MOREOVER, ON A GRATUITOUS ECONOMIC AFFIRMATION.

From the time the Armistice was signed, there was reason for taking into consideration an entirely new economic fact, and one of con-

siderable importance. The war led precisely to a considerable increase in industrial equipment on the part of Great Britain, the United States and France. From this it follows that these three countries are in an excellent position to furnish the Continental States other than Germany, and the rest of the world as well, with the very products which Germany alone furnished them before the war.

Consequently, Germany is in no wise an indispensable purveyor, as Mr. Keynes claims. Furthermore, the expansion of British, American and French mills and factories, resulting from the war, made it necessary that after the Armistice, in order to preserve the three great industrial countries of the Entente from a serious economic crisis, peace should be arranged in such a way as to guarantee them permanent commercial outlets in the Continental States which have a political interest in making most of their purchases from them. This, for the very reason that by so doing they would remain independent of Germany to the degree that was necessary.

The States for which such action was necessary were the Slav and Latin States of Central Europe and the Baltic States, forming a group containing 114,000,000 consumers (see map, p. 313) : States which the Entente victory had liberated or enlarged.

Consequently, what was necessary was a policy diametrically opposed to that which the Pangerman leaders, supported by Mr. Keynes and the German-Jewish group in London succeeded in imposing.

For the double purpose of bringing matters back to normalcy, in conformity with the interests of the three great industrial countries of the Entente, and of beginning the solution of the reparation problem on a common-sense basis, the proper course would have been to amputate promptly twenty billions in gold from Germany's capital. That country, if so disposed, could have well afforded to pay this amount, by raising it, for the greater part, at the expense of the great Pangerman captains of industry. Such an amputation of German capital was necessary for the very reason that it would have restored the equilibrium that had been destroyed by the war, and prevented industrial Germany from occupying a favored position with respect to the Entente countries, whose capital, as is the case with France, had been terribly amputated as as result of the German aggression.

On the contrary, the Pangermans' suggestions, supported by Mr. Keynes, have been followed. Industrial Germany has been placed in a favored position, with the immediate and quite natural result that the general industrial

crisis, and particularly unemployment in Great Britain, have been made worse.

The upshot has been that Mr. Keynes has completely thrown off the mask from his stupefying pro-Germanism. At the closing session of the World Economic Congress held at Hamburg on August 26, 1922, he made a speech which was warmly applauded by his German audience. Mr. Keynes advocated the dissolution of the Reparation Commission, the suppression of payments in kind, the evacuation of the left bank of the Rhine, a reduction of the German war-indemnity from one hundred and thirty-two billions to forty billions, and, to cap the climax, a loan of one billion gold marks, floated in France, either with or without the guarantee of the French Government; such loan to be made for the purpose of enabling Germany to stabilize the mark. (See *Le Matin*, August 27, 1922.) And so the solution of the reparation problem, according to the idea in the back of Mr. Keynes' head, would be for France to loan money to Germany. This is a perfect specimen of the stupendously insane solutions which we have seen applied ever since the Armistice, and which, quite naturally, have created the existing crisis and state of general unrest.

These conclusions tend to establish the fact that the people of every nation interested in

getting back to normalcy have the greatest possible interest in rising up, once for all, in opposition to the Keynes theories which, moreover, are those of the Pangermans; and above all to refuse to grant German industry new privileges under any form whatsoever, especially under the form of an international loan.

The Pangerman leaders have executed an exceedingly treacherous manœuvre in their systematic depreciation of the mark, but this manœuvre is a very dangerous one, and is on the point of reacting against them. Above all, we ought not, by loaning money to the Pangermans, to prevent them from being caught in their own trap. It is altogether necessary that if the depreciation of the mark continues to a point where it becomes irremediable, the German people should realize plainly that those who are responsible for this new catastrophe for the Germans are none other than the Pangermans themselves. In that event the German people will take upon itself the task of getting rid of these gentry, to the benefit of the world at large.

Let us examine the worst possible hypothesis; namely, the economic break-up of Germany. Were this to happen, it would not be caused by reparation, since in actual practice the German reparation payments have been ridiculously small. It would come solely as a

consequence of two facts, both due to Pangerman leadership. The first fact is the systematic impoverishment of Germany at home, resulting from the large amount of capital sent abroad by wealthy Germans, and from the retention, in foreign banks, of the enormous profits of the Pangerman captains of industry. The second fact is the systematic depreciation of the mark, resulting from the manœuvres set forth in Chapters VII and VIII of this book.

Beyond a doubt, the mark collapsed towards the close of 1922 partly on account of the ever-increasing fiduciary inflation practiced by the Reich, but the dominant artificial character of such collapse has been demonstrated, as at the close of 1921 (see p. 296), in an analogous proportion, by the unwarranted collapse of the Jugoslavian dinar, the Roumanian leu and the currencies of the other Central European countries where Germany needed a monetary depreciation corresponding to that of the mark, in order that her exports might continue profitably in that direction, despite the collapse of the mark. There was only one exception, and that a highly-significant one. Banking operations extending as far as New York caused the Czechoslovakian crown, towards the close of 1922, to rise to such a rate that Czechoslovakian industry, the only dangerous competitor to German industry in Central Europe, and already

attacked towards the close of 1921, was placed in a particularly critical situation a year later.

On the other hand, the collapse of the mark has reached a point where grave social disorder is apt to break out in Germany, by reason of the intolerable situation in which a large portion of the German people are placed by the ultimate effects of the Pangerman leaders' banking manipulation. Consequently, it may be asked why the latter undertook a manœuvre that was capable of becoming so dangerous. They did so for the following reason. The systematic depreciation of the mark up to a certain point, in order to avoid reparation payment, was a cynical economic manœuvre, but an excellent one, provided it was accompanied by the success of a combined political and military manœuvre consisting of the destruction of Poland by the action of the Bolshevik army, which constituted Germany's Russian mercenary force. This operation was attempted in July, 1920, by the Soviet attack on Warsaw, but it failed, and since that time it has been impossible to resume it in the same form, owing to the famine in Russia and the disorganized condition of transportation facilities in that country. In July, 1920, success hung by a thread. At the present time it is plain that if the Russo-German attack on Poland had been successful, Germany, in consequence, would have immediately resumed

her position as mistress of Central Europe. In that case, the fact of having engineered the collapse of the mark would have presented nothing but advantages. But as that manœuvre had to be prolonged for a much longer period than had been counted on in the first place, it is reaching the critical point above mentioned. In an attempt to avoid this dangerous period, the Pangerman leaders are bending every effort to arm the Soviet forces and precipitate the Kemalist movement. The success of this latter, following the Greek defeat in Asia Minor, will strike at Great Britain in Palestine, Mesopotamia, Persia, Central Asia, India and Egypt; and at the same time will affect Italy in Tripoli, and France in Algiers, Tunis, Morocco and all her Mussulman colonies.

The best possible proof that the debasement of the mark towards the close of 1922 was, once again, essentially due to a voluntary manœuvre, exclusively affecting the monetary medium of the Reich, is furnished by certain facts which assuredly would not exist during the same period as the collapse of the mark, if that collapse really corresponded to a disintegration of the vital resources of Germany. During the latter part of 1922, most of the commercial and industrial corporations in Germany continued to realize immense profits; unemployment in that country did not exist, so

to speak; the work of canal-digging, railway construction, merchant-fleet building and work on the port of Hamburg were carried on more actively than ever.

During the latter half of 1922 the Germans consolidated their grip on Russia, organizing it to their own profit. A German banking consortium granted an advance of one hundred million marks to the Government of Ukrainia. In August, 1922, a Soviet decree granted the German colonies on the Volga almost complete autonomy, which was tantamount to creating a veritable German State within the Russian State. The collapse of the mark did not prevent Germany, towards the close of 1922, from helping the Bolsheviks to rehabilitate the forts of Cronstadt. In the early part of August, 1922, a German dirigible went from Berlin to Moscow in ten hours; German « commercial » aircraft, so-called, flied between the two cities — a distance of 1,800 kilometers — in non-stop trips of fifteen hours. In June, 1922, a German consortium was formed to organize the production of war-material in Russia by furnishing the Soviets fifteen billion marks. Towards the close of 1922 the Germans rehabilitated the Russian fleet and furnished the Soviets with munitions, arms, aircraft and asphyxiating gases. A German military mission was sent openly to Russia, and Trotsky made no bones of continuing to

threaten Central and Western Europe with an invasion in the near future.

The military combination of Berlin-Moscow-Angora is now in full blaze. If the Kemalists were able to defeat the Greeks early in September, 1922, it was doubtless due in a slight degree to the mistakes of a small French group whose action I am the first to condemn, considering it as fatal. But it was also due, and to a much greater extent, to the aid which the Germans, through the medium of Moscow, extended to Kemal. On the other hand, many indications betray the fact that the Bulgars and Magyars are drawing closer and closer to the Berlin-Moscow-Angora combination. And so from month to month war is assuming definite shape : war, brought about by the restored cohesion between all of Germany's Allies, reinforced by the cynical exploitation of the military reserves of Russia. At the Germano-Swedish Union at Leipsic, Sven Hedin, pro-German, was able to declare with good reason : « As yet, no one knows who won the World War, for it is not yet over. » (See *L'Eclair*, Sept. 21, 1922.)

In these conditions of a war which is continuing under combined political and military form, it is easy to understand that on Sept. 3, 1922, when Kemal's victory had become practically assured, Henry Class, a lawyer and

President of the Pangerman League (*Alldeutscher Verband*), despite the collapse of the mark, made the following significant statement : « We are gathered here, filled with calm and confident joy, for we are now sure of Germany's victory. » (See *Le Temps*, Sept. 10, 1922.)

The natural counter-stroke incumbent upon the Allies, who are now facing the collapse of the mark, consists precisely in doing exactly the opposite of what has hitherto been suggested. In fact, they should energetically refuse the Germans any loan which might enable them to escape the — for them — disastrous consequences of the banking manœuvre which they have set in motion so as to avoid payment, and which at the present time is susceptible of producing a boomerang effect. It is quite necessary that the German people clearly realize that the real authors of the troubles resulting from the debasement of the mark are the Pangerman leaders, who have been able to put away their own wealth in a safe place. Such a policy will give the Allies some chance to bring home to the German people a necessary realization of their defeat: a realization which they have lost through the fantastic policies of the Allied leaders. Only when this realization of defeat is brought home to the German people will it be possible to think of putting into application a reparation plan adapted to the new conditions

created by the exodus abroad of liquid German capital from the frontiers of the Reich.

Now let us suppose that German industry were to be brought to a complete stop.

Evidently, the Germans would not make reparation payment, but that would not alter the situation. However, if German industry could not continue to supply its products to Central and Eastern Europe, the British, American and French manufacturers would immediately become the ones to supply these outlets. They could do this all the more easily because, prior to this, the measures advocated later on would have become operative : measures for raising the rates of Continental exchange, which have been artificially depreciated by the action of the German banking power.

Consequently, the industrial break-up of Germany would certainly be a disaster for those Allied financiers who have acquired interest in the enterprises of the Pangerman captains of industry. Such a break-up, however, would not, as is commonly believed, be contrary to the interests of the great body of British, American and French manufacturers and business men, inasmuch as it would result in opening up tremendous outlets for them : outlets which the manœuvres of the Pangerman leaders have succeeded in closing to them by artificial means.

6th. LET US NOT BE GULLED BY CATCH-WORDS NOR SLOGANS. THE CATCH-WORD : « THE REHABILITATION OF EUROPE » CONCEALS A GIGANTIC SCHEME ON THE PART OF THE GERMAN-JEWISH SUPER-CAPITALISTS.

The people of the Entente countries are caught between a gigantic pair of pincers, manipulated by the Pangerman leaders.

The two arms of these pincers are represented, one, by the international financial action of the German-Jewish syndicate, playing its activities among the so-called upper circles of society in the Entente countries, for the purpose of recruiting accomplices therein, by means of corruption. The other arm of the pincers is represented by the activities of the Bolsheviks and Bolshevizing Socialists among the masses in the Allied countries, for the purpose of preventing them from seeing matters as they really are, and from protecting their interests while it is time. The operation of these pincers, ever since the Armistice, is leading to the success of the German super-capitalists or others who are in favor of bringing Pangermany into being.

Were both of these elements to triumph, it would mean the dawn of an era of formidable reaction in Europe.

Fundamentally, everything is being directed by a small group of banks. The *Deutsche Bank*,

the great Pangerman banking institution, is at the head of the movement, aided and abetted in its operations by its many affiliated institutions, scattered throughout the world.

The Jewish Warburg bank, of Hamburg, has a considerable influence in the movement. It cannot refuse to grant an interest to its associated banks, such as the Speyer bank in London, and the other British banks having relations with them; nor can it refuse to grant an interest to its other partner, the banking house of Kuhn, Loeb and Co, of New York, which is at the head of the German-American financial organization. The plan for the Pangerman exploitation of the world must succeed in order to satisfy Messrs. Stinnes, Deutsch, von Siemens, von Gwinner and Co. Evidently, they cannot refuse to give a substantial token of their satisfaction to certain excellent agents who, doubtless, have already received handsome remuneration, but who have served them for a long time past with undeniable energy. For instance, such agents as Oulianoff *alias* Lenin, agent Krassin, agent Bronstein *alias* Trotzky, agent Sobelsohn *alias* Radek, and a host of other agents of minor importance, all of whom, however, have labored with undeniable tenacity towards bringing about the success of the gigantic financial operation which is masked behind verbal scenery; an operation the object

of which is Germany's seizure of Russia.

In reality, everything turns on this really *colossal* operation ; the rest is nothing but camouflage, intended to dupe the poor peoples, victims of the prodigious super-capitalistic machination, plotted in all its details by the Pangerman-Jewish financiers.

7th. IT IS ESSENTIAL THAT A DISTINCTION BE MADE : ONE OUGHT NOT TO BE ANTI-GERMAN, BUT ONE OUGHT TO BE ANTI-PANGERMAN.

To be anti-German implies a systematic aversion to a whole people : an idea that merits condemnation because it does not take into consideration the distinctions which it is necessary to make. Dr. Wirth cannot properly be termed a Republican when he has been seen to select as Ministers such notorious Pangermans as Dr. Rosen and Rathenau. However, Germany does contain real Republicans and real anti-Pangermans. For instance, those workmen in the Ruhr were not Bolshevist, but Republicans and anti-Pangermans, when, in April 1920, they invited the Allied troops to effect a peaceable entrance into that valley, for the very reason that they wished to prevent the regular Pangerman troops from coming to put them back under the yoke of the super-capitalists : Hugo Stinnes and his associates.

If the Pangermans have resumed the ascen-

dency since the Armistice, it is because Mr. Lloyd George, and the leaders of Republican France as well, have adopted precisely the policy which enabled them to return to power.

Personally, I am so convinced that there are Germans with whom we could come to an understanding, that although I have written about Germany for a quarter of a century, I do not believe that I have ever been inspired by an anti-German spirit. I am, however, anti-Pangerman, and thoroughly so, because all my political investigations have convinced me beyond a doubt that Pangerman leadership in Germany makes it absolutely impossible to have peace and liberty on the Continent.

This point of view, as a general thing, is not understood as clearly as it should be.

In several of the Entente countries, by reason of the unquestionably directive activities of certain Jews since the Armistice, many people are asking themselves whether the principal danger, against which the whole strength of public opinion should be concentrated, does not consist primarily in what they term « the Jewish peril ». This solution appears dangerous and might prove unjust. Even though, in certain countries, some Jews hold a preponderant and excessive role, it has not yet been demonstrated that, *considered as a whole*, the Jews are seeking to obtain possession of world-domination.

On the other hand, to concentrate the force of public opinion solely against the « Jewish peril » would mean allowing the Pangerman peril, which is imminent and of a perfectly concrete character, to develop without opposition. Consequently, it seems wiser to concentrate the force of public opinion against that group of men who constitute the Pangerman leaders : a group which includes Gentiles and Jews, and which, in Germany and elsewhere, by reason of its German origin or super-capitalistic interests, is manifestly playing the game of the Pangermans.

By adopting this procedure one is certain to make no mistake, and to get at the real authors of the present state of unrest. Furthermore, anyone who wishes to go to the roots of the matter will demonstrate to his own satisfaction that the Pangerman plan is the only concrete political plan in existence, that this plan threatens the liberty of every other nation, and that the various events which we have seen « develop » since the Armistice are tending to bring about the realization of that plan.

In these conditions, and as these truths are becoming more and more evident from day to day, the public, by taking action, *not against the Germans — I insist on this point* — but against the Pangermans, be they Jew or Gentile, will be employing the surest means of

quickly re-establishing the indispensable bond of union between public opinion in the various Allied nations.

8th. PEACE FOR FRANCE AND THE WHOLE WORLD DEPENDS PRIMARILY ON THE SOLID ORGANIZATION OF SLAVO-LATIN CENTRAL EUROPE.

The whole foreign policy of the Allies, ever since the Armistice, has been warped by the failure to realize the extraordinary importance of the problem of Central Europe. Even in France this error exists, inasmuch as many Frenchmen imagine that the line of the Rhine boundary constitutes the guaranty of certain security for France. This is an absolute mistake. If you examine the map on page 388: if you imagine Germany dominating Central Europe and in a position to arm Russia; take into consideration the tremendous progress made by aviation, and you will admit that, in these conditions, the Rhine could not be anything but a third-line trench. On the other hand, if we suppose the firmly-established independence, as regards Berlin, of Poland, Czechoslovakia, Roumania, Jugoslavia and Greece, nations forming a group of 83,000,000 Slavs, Latins and Greco-Latins, and having a really vital interest in preventing Germany from becoming mistress of Russia, and in opposing an offensive return of Pangerman Germany, it becomes evi-

dent at once that she could not attack France without great risk to herself, because the freedom of these States depends, as a matter of fact, on the freedom of France.

If the freedom of the Slav and Latin States of Central Europe is real, the line of the Rhine, in that event, assumes all its strategical value to France. But the conclusions we have reached, and which hold equally good for England and the United States as for France, demonstrate that *the efficacy of the line of the Rhine for France and the world can exist solely as a consequence of the soundness of Slav and Latin Central Europe.*

Consequently, it is quite exact to say : the key of France's security, and consequently that of the whole world, is primarily between the Baltic and Aegean Seas; in other words, in a soundly-organized Poland, Roumania, Czechoslovakia, Jugoslavia and Greece : a Greece really independent of Berlin.

CONCLUSIONS

In order to put an end to the mystification which has for its object the reconstruction of Pangermany, it suffices, in reality, to act according to the simple dictates of plain common sense; in other words, to form a group consisting of those countries whose interest it is to oppose such reconstruction, and starting out with the viewpoint that the problem of Central Europe dominates everything else. The facts prove this : the war started by way of Central Europe; the Allied victory began by way of Central Europe (see p. 92); the Allied victory changed camp when the Pangerman leaders, without firing a shot, resumed the mastery of Central Europe in an indirect way by manipulating Continental exchange. *And victory will return to the Allied camp, without making it necessary to fire a shot, as soon as they do what is necessary in order to insure the crystallization of Slav and Latin Central Europe, while it is yet time.*

In reality, there are only two methods of reconstructing Europe: the Pangerman method of Messrs. Stinnes and Deutsch, etc., which has been accepted by Messrs. Keynes and Lloyd George, and the anti-Pangerman method which we are about to explain.

The map on the page 388 (also see the map on page 90, which is its counterpart) enables the reader, at a glance, to visualize the political combination forming a group of Continental States in whose vital interest it is to be, not anti-German, but resolutely anti-Pangerman. The States for which this holds true are, in the West, Belgium and France; in the centre, Poland, Czechoslovakia, Jugoslavia, Roumania and Greece.

On the subject of Greece, Allied public opinion, at the time of publication of this book, has been led astray, and its error will be plainly manifest in the near future. Consequently, on the map shown on the opposite page, I have made it a point to leave Greece bounded according to the Treaty of Sevres. A Greek occupation of Smyrna, limited to the region in which the majority is Greek, would not have been a mistake, nor would it have constituted any menace to peace if Turkey had not been as badly disarmed as was Germany, and if Mr. Lloyd George's political policy had not launched the Greek army over the whole of

Asia Minor. Be that as it may, after the Kemalist victory, the Allies, in their Note of Sept. 23, 1922, thought to make peace by abolishing the Treaty of Sevres, not only as regards Smyrna, but Thrace and Andrianople as well. I have made

a lengthy study of the Near-Eastern question while on the ground, and I am convinced that this decision is much more apt to start a war than to consolidate peace. In the first place, abandoning the Treaty of Sevres means giving up a considerable portion of the Allied victory.

In the next place such abandonment can only lead, in the near future, to the Bulgarians and Magyars, in connexion with the Bolsheviks, Turks and Germans, taking action for the purpose of wiping out, together with the consequences of the Treaty of Versailles, those of the Treaties of Neuilly, Saint-Germain and Trianon.

I am convinced, in consequence, that the peace of Europe is exposed to greater risk, towards the close of 1922, than it was before. This danger only renders the following grouping all the more necessary.

Consequently, there are at least 130,000,000 people in Continental Europe (for, inasmuch as I have to set forth this combination in the form of a very simple map, I make no reference to the Baltic States which are in the same position as the Slav and Latin States of Central Europe) which have a vital interest in seeing to it that the treaties of 1919 are respected and put into application, and which can easily come to an understanding on all essential points.

I am not ignorant of the faults of the Slav and Latin peoples of Central Europe, but they have the right to have faults, the same as any other race. I am familiar with the German intrigue in those countries under its various forms, political, commercial and financial; but this is not to be wondered at, because there are

men in France and England too who have yielded to the German suggestions. However, having made a long study of these Slav and Latin populations of Central Europe, I am in a position to affirm that they have a tremendous number of good points which are insufficiently appreciated by the French, British and American Government leaders.

The people of the Slav and Latin States that are sincerely desirous of peace are plentifully endowed with common sense, and, for the most part, already realize the Pangerman danger. A loyal and open propaganda would speedily convince those among them who have not yet come to that opinion. A glance at the map enables one to realize that the 130,000,000 Continental anti-Pangermans, admirably distributed from a geographical standpoint, represent a force of such importance that, if they come to an agreement, they can make Germany accept their legitimate desires, without any necessity of having recourse to military warfare. *In fact, the Continental anti-Pangerman Entente would be so powerful that Germany could accomplish nothing against it. Moreover, it is the sole combination enabling victory to be restored, simply by utilizing the methods of the warfare of political sciences.*

Consequently, the Continental anti-Pangerman Entente is quite as necessary for the peace

of England and the United States as for the security of France and Belgium.

On the occasion of the investigation I made in Central Europe in the early part of 1921, I talked with the leaders and most authorized representatives of those countries, most of whom I have known for a long time. I can state positively that all of them desire to proceed in close relationship with the Great Allies.

I maintain that if universal public opinion in Great Britain and the United States declares itself unequivocally in favor of the Continental anti-Pangerman Entente, as visualized by the map on page 388, a great wave of public opinion would speedily be created in these different countries, of which those of Central Europe have already succeeded in bringing the Little Entente into existence.

As regards Russia, American, British and French public opinion ought to lay down the following principle : the rehabilitation of Russia ought to be undertaken primarily by the people of the countries bordering on Russia, inasmuch as these countries have a vital interest in restoring order in Russia, and at the same time in seeing to it that Germany does not dominate that country. These States are : Finland, Esthonia, Lettonia, Lithuania, Poland, Roumania, Jugoslavia and Czechoslovakia, which form a group of 86,000,000 Europeans

neighbors of Russia, whose wishes in the matter ought to carry greater weight than those of the German-Jewish bankers of Berlin, London, Paris and New York.

Let us now prove, by a concrete example concerning the solution of the exchange crisis, to what an extent the Continental anti-Pangerman Entente would be really useful to the interests of the people of Great Britain and America, whose commerce it would help to re-establish on the Continent.

How to put an end to the German influence on exchange.

In order to make a radical opposition to the mystification of the Allied peoples, the German banking power must be prevented as quickly as possible from continuing to pervert the rates of Continental exchange.

In order to arrive at this result, it is necessary : first, to take part in the war of political sciences which the Pangermans are waging against us in the economic field, and to do this by using methods derived from the war of political sciences. This is the sole method of avoiding a recurrence of a military war. Second, to have the desire of holding the Pangerman captains of industry, who have organized the financial camouflage and artificial bankruptcy of Germany, responsible therefor.

In order to accomplish this result, we must start out with the following viewpoint : France is unable to do anything as regards the rates of the dollar and pound sterling. However, if she comes to an understanding with Poland, Roumania, Jugoslavia and Czechoslovakia, all of whose currencies have been depreciated, artificially and very considerably, by the Germans, she can accomplish much towards restoring Continental exchange to a healthy basis by taking the French franc, at the present rate, as the basic value towards which the Polish mark, Czechoslovakian crown, Jugoslavian dinar and Roumanian leu must gradually be raised.

Consequently, it is necessary : first, to avoid a further depreciation of the franc, which would result from another issue of banknotes. This would only aggravate the situation. Second, to take suitable measures for enabling the Polish mark, Roumanian leu, Czechoslovakian crown and Jugoslavian dinar to rise towards the level of the franc, by restoring them to their normal value.

These measures are as follows. First, France, Poland, Roumania, Jugoslavia and Czechoslovakia, realizing the vital necessity of withdrawing their money from the influence of the German banking power, decide that, during the period necessary for getting back to normal rates, all exchange transactions in their respec-

tive currencies shall be handled exclusively in each country through the medium of the Government bank. For instance, the Bank of France in France.

This measure, at one stroke, would do away with the influence which the Germans exert on these various currencies through the medium of countless banks and agents, who influence the rates of exchange in the different stock exchanges, in accordance with the Germans' suggestions. In the next place, a Commission formed of representatives of the above-mentioned States, sitting at Paris, should study various plans for restoring the money of the countries belonging to the Continental anti-Pangerman Entente to a healthy basis, particularly by influencing exchange rates, in a way dictated by sound economic reasoning : first, the surplus exports, and later on the natural resources of Poland, Roumania, Jugoslavia and Czechoslovakia. Thirdly, this Commission should study the proper measures to be taken in order to insure a gradual rise in exchange, so that this movement may always possess more advantages than disadvantages; and above all, so that German export trade may not be able to take advantage of this situation during the period of transition, by competing against the national industries of the Entente countries. With this end in view they should decide, for instance,

that German industrial products that are sold in the countries forming the Continental anti-Pangerman Entente should pay an import duty, so as to obtain the following result. For intance, a German product going into Czechoslovakia should pay an import duty representing the approximate difference between the real cost of manufacturing that product in Germany and the normal selling price in Czechoslovakia of a similar product of Czechoslovakian industry. The proceeds of such import duty should be divided, one-half going to the Czechoslovakian Treasury, and the other half to Reparation account, which should be organized on a new basis *in the interest of all the States constituting the Continental anti-Pangerman Entente.*

By reason of the encircling geographical location of the Continental anti-Pangerman States, and of the imposing body of one hundred and thirty million inhabitants which they represent, Germany could not evade the effects of the measures which have just been advocated.

These measures would lead to a very considerable recovery in the rates of the French franc, Polish mark, Roumanian leu, Jugoslavian dinar and Czechoslovakian crown. As a consequence, Germany would find herself surrounded by countries whose exchange would be in a compa-

ratively healthy condition. And then, either one of two consequences would result. Either the cheapening of the German mark would become irreparable, in which case the German people would suffer the consequences, and would punish as it saw fit the Pangerman leaders who brought about this new catastrophe on the German people. Or else — which is very possible — the German financiers, realizing that their manœuvre based on the cheapening of Continental exchange could no longer be continued, would set about raising the mark to the level of the exchange of other European States, in order to obtain at least a partial removal of the above-mentioned tariff.

In the former case the result of this method of procedure, as affecting all the nations involved would amount to this : the rise in the exchange of the Slav and Latin countries towards the level of the French franc would throw open, not only to French and Belgian trade, but British and American as well, a market consisting of 75,000,000 consumers. In the second case, in which Germany would be compelled to raise the rate of the mark, this market would consist of 135,000,000 consumers.

These results would be the best possible demonstration of the loyalty of France's policy towards the British and American people, for the first result of such a policy would be to

throw open to the great body of British and American manufactures and business men the European markets from which the Pangermanizing policy of Mr. Lloyd George has resulted in shutting them off.

A stroke of political jiu-jitsu enabling the plain citizens of the Allied countries to re-establish the situation.

The comparatively simple plan which has just been set forth : namely, the « Continental anti-Pangerman Entente », runs counter everywhere, even in France, to all those who, in one way or other, are playing the game of men like Stinnes and Helfferich. This, for the very reason that such a plan would be sovereignly efficacious against them. *On the other hand, this plan uill be carried out with astonishing rapidity, provided public opinion in the countries interested can insist on it.* Therefore, the problem is to find a simple but efficacious method of procedure, which will enable plain citizens of the Allied countries to make their wishes known, and to exert strong pressure on the management of affairs, in order to bring them back to the path of common sense. By so doing they will give efficacious protection to their interests, now so seriously jeopardized.

But you, my English-speaking readers, who constitute the public, and are strongly desirous

that a durable peace be established, you believe yourselves helpless against the powerful organization of the men who are controlling events. In reality, you are infinitely more powerful than they are, but as yet you have not been shown a way to make use of the gigantic strength you possess.

I have shown you some strokes of political jiu-jitsu, as executed by the Pangerman leaders: crooked plebiscites, and the manipulation of Continental exchange; moves which, by a comparatively slight effort, enable them to attain tremendous results. Now, in order to bring this book to an efficacious conclusion, I am going to show you a stroke of political jiu-jitsu which is still more simple and yet much more powerful. Each one of you can execute this stroke, and if a sufficiently large number of you put it into execution, it will exercise a profound influence on the situation, to the great advantage of all. Let ut first set forth in detail the outstanding fact around which public opinion in all of the Allied countries can certainly rally.

It is intolerable that the course of European affairs be directed by the Pangerman leaders, — the real authors of the war — who once more are working openly a their plan of domination. It is scandalous and stupid that such men as Hugo Stinnes can freely buy newspapers in one portion of Europe, and exercise their

powers of corruption without hindrance. It is senseless to allow fair-spoken but infinitely dangerous Pangermans, such as Rathenau was, to treat with the Allied peoples. It is impossible to tolerate the fact of Germany remaining under Pangerman management, for so long as this is the case, we shall never have peace.

Consequently, it is in the certain interest of all to have the Pangermans excluded from representing Germany, officially or semi-officially. Such exclusion is what Allied public opinion ought to demand if it really wishes finally to have peace.

But how can this result be attained? By starting from two facts.

The first fact is this: there is not one newspaper manager in a hundred who would refuse to conduct a campaign of general interest, when a considerable number of readers write to the paper, making an insistent demand for such a campaign. Twenty years of observation have enabled me to verify this fact on numerous occasions. It is a fact which is easily explained. Newspapers to-day are commercial enterprises, submissive to the exigencies of competition, and consequently their sole object is to satisfy their readers.

The second fact is this: the representatives of the people, in whatever country it may be, desire re-election, which is an altogether human

trait. Consequently, there is not one representative in one hundred who would refuse to adopt the attitude which a considerable number of his constitutents would write and ask him to adopt.

Now that these facts have been set forth, what ought one of my readers to do, in order to get his country's foreign policy directed in the way of protecting his interests. He should write four letters, following the general ideas of the text given further on. These four letters should be dated and signed, and contain his address, in order that they may bear every evidence of authenticity and bonafide character.

Two of these letters should be sent to the two representatives he has voted for. The third should be addressed to the editor-in-chief of the metropolitan newspaper he is in the habit of reading, and the fourth to the leading newspaper in his neighborhood.

In these four letters he should develop the same idea, which is summed up in the following model.

Dear Sir

Ever since the Armistice, events have clearly proved that the state of unrest existing throughout the world arises principally from the incomprehensible freedom of action allowed the real authors of the war : namely, the Pangerman leaders. I realize that my national and private

interests are gravely compromised by the intrigues which these men have been able to carry on in every direction. Inasmuch as you are my Representative (or the Editor of my regular newspaper, as the case may be) I. ask you, in order to insure the maintenance of peace and the efficient defence of my legitimate interests, to wage a vigorous campaign for the exclusion of the Pangermans from representing Germany, either in an official or semi-official capacity. It stands to reason that this result can be definitely brought about if the Allied countries refuse to treat with Germany, so long as that country is directed by the Pangermans who are leading us back to war.

Yours, etc.

These four letters require merely one hour's time and very slight expense. If one hundred thousand citizens in each of the Allied countries were to write them, they would be productive of such efficacious results that the foreign policy of the Entente would be put back, with astonishing rapidity, where it belongs.

This movement has already begun in several countries in Europe. If it spreads to England and the United States it can become productive of tremendous results. The general result of this effort would be that the majority of the newspapers and Government representatives

in the countries of the Continental Entente would make such an insistent demand that the Pangermans be boycotted that Germany could do nothing else but yield.

When that day comes when we shall have to deal, not with Pangermans, but with Germans who renounce their plans of economic or political enthralment, the whole situation will speedily change, and we can find ways to arrange matters.

In any event, friend reader, — whatever Entente country you may belong to, — I earnestly ask you to make the attempt. Write the four letters. Do not be sceptical regarding results; they will surpass your expectations. All I ask of you is simply one hour of your time, and a propaganda which is very easy to make, among your closest friends.

If you believe what I say, I promise you a gradual improvement in the situation, making it possible, later on, to bring the technical solutions into play. These will organize the reparation problem on a new basis, and guarantee Europe, at last, security and real peace.

But this is possible only in the event of our allowing ourselves to be duped once more, this time by the collapse of the mark : a fact which furnishes the German Government, under pretense of stabilizing it, to turn the tables by asking a loan of the Allies.

The fact cannot be too strongly insisted upon, that the collapse of the mark is in no wise the result of German reparation payments ; for as the *Washington Post* pointed out on October 3, 1922, the British and Americans who have been buying marks ever since the Armistice have paid Germany twice as much gold as that country has paid on reparation account. American purchasers of marks have paid Germany $ 968.000.000 for the eighty billion marks Germany has succeeded in placing on the American market. As for the British, they have bought marks so liberally that their loss is estimated at about $ 672.000.000. All this good money cost Germany nothing but the trouble of keeping the printing-press running.

In the present state of affairs, it would be impossible to save this money from being lost by loaning money to Germany. Such loans, on the other hand, would enable that country to perpetrate another swindle and again save the Pangerman leaders. Now, in order to obtain a general peace, it is imperative that these men should ultimately become the victims of the exchange manoeuvre they had the imprudence to set in motion. It is necessary that the German people suffer the final consequences of that manoeuvre until such time as their internal disorder reaches a point where the people are finally goaded into ridding themselves of their Pan-

german leaders, who are the essential cause of the general unrest that has existed ever since the Armistice.

If, on the other hand, the Allies commit the egregious blunder of again coming to the rescue of the Pangerman leaders by granting Germany a loan, it means allowing them to double the stormy cape. Within a few years the higher birth-rate in Germany, the German zeizure of Russia, the economic enthralment of Central Europe by Germany : all these will produce their results, which, in the final analysis, means Pangermany. My conclusion, therefore, is clear. In order to save the situation, all that is required is a little energy and good sense, resulting from a current of public opinion in the Allied nations.

We have had *the military Marne;* what we now need is *the « political sciences » Marne.* Whether we have it or not, depends on you. Between *Pangermany*, leading to your ruin and servitude, and the *anti-Pangerman Entente*, which you can obtain at the cost of a slight effort : make your choice.

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